

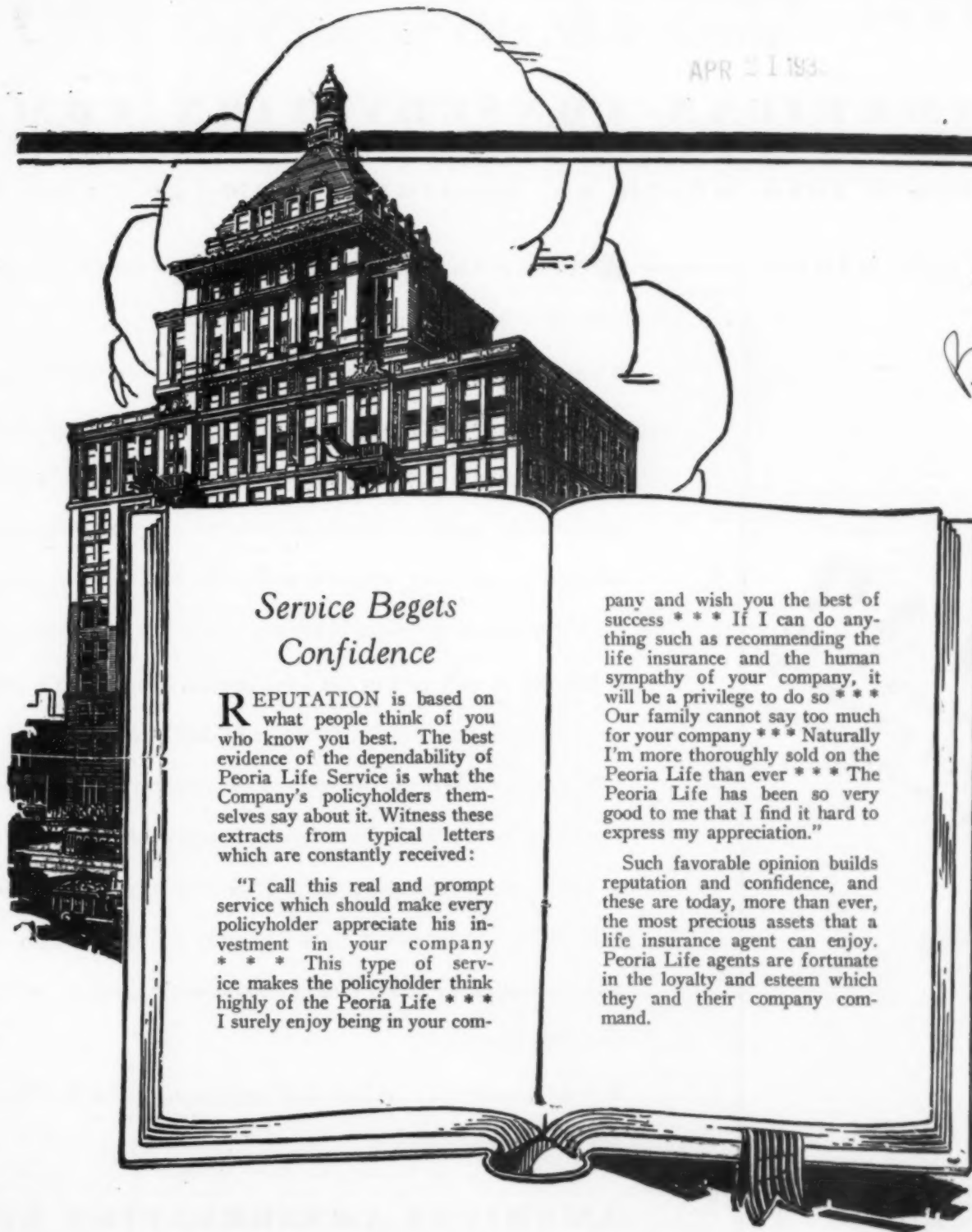
# The National Underwriter

## LIFE INSURANCE EDITION

FRIDAY, APRIL 21, 1933

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### *Service Begets Confidence*

REPUTATION is based on what people think of you who know you best. The best evidence of the dependability of Peoria Life Service is what the Company's policyholders themselves say about it. Witness these extracts from typical letters which are constantly received:

"I call this real and prompt service which should make every policyholder appreciate his investment in your company \* \* \* This type of service makes the policyholder think highly of the Peoria Life \* \* \* I surely enjoy being in your com-

pany and wish you the best of success \* \* \* If I can do anything such as recommending the life insurance and the human sympathy of your company, it will be a privilege to do so \* \* \* Our family cannot say too much for your company \* \* \* Naturally I'm more thoroughly sold on the Peoria Life than ever \* \* \* The Peoria Life has been so very good to me that I find it hard to express my appreciation."

Such favorable opinion builds reputation and confidence, and these are today, more than ever, the most precious assets that a life insurance agent can enjoy. Peoria Life agents are fortunate in the loyalty and esteem which they and their company command.

## Peoria Life Insurance Company

PEORIA, ILLINOIS

# **BUILDING PUBLIC FAITH** *in* **LIFE INSURANCE...**

## **THE AMERICAN CONSERVATION COMPANY**

*undertakes a task which no Insurance Company can hope to accomplish alone*

**WMAQ**  
**9:00 to 9:30 P. M.**  
**EVERY TUESDAY**  
**670 KILOCYCLES; 447.5 METERS**

● A new and unique radio program goes on the air—a carefully planned experiment in Life Insurance Conservation.

● The material this program presents—the life of Elizur Wright—is not only an exciting, dramatic, lost chapter in the annals of American history. It is a warm, breathing, human history of the events which helped to make life insurance the world's richest and strongest institution. Without insistence or ballyhoo it urges every listener to realize that life insurance comes first, and that the life insurance premium is the one investment which must always be made.

● But that is only part of the job. America today needs a forum for sincere and impartial consideration of the individual's life insurance problems. This radio program offers the first step in the creation of such a forum. We invite every listener to consult the American Conservation Company. And we propose to handle these questions from policyholders in such a way as to cement the faith of every policyholder in the integrity and the strength of the Company and the Institution which protect him—man's greatest and soundest institution, Life Insurance.

● Your comments, criticisms and suggestions about this Conservation effort are most urgently invited.

**AMERICAN CONSERVATION COMPANY**

**LIFE INSURANCE SERVICE • HERBERT G. SHIMP, PRESIDENT**

**307 NORTH MICHIGAN AVENUE, CHICAGO**



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 16

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, APRIL 21, 1933

\$3.00 Per Year, 15 Cents a Copy

### Business Revival in Week's Effort

Message of Financial Independence Through Life Insurance Spread Over Two Nations

#### INTENSIVE DRIVE HELD

Radio Talks on National Hookups, Mass Meetings, Elaborate Publicity Methods Employed

Financial Independence, Through Life Insurance week, sponsored by life companies throughout the country, an idea carried to the public this week in an elaborate program prepared by the National Association of Life Underwriters and handled by all state and local associations, appears to have been highly successful, and to have initiated a business revival.

Breakfast and luncheon rallies were held Monday in all parts of the country, there being brief speaking programs calculated to send the agents out with enthusiasm for a week's intensive business campaign. The nation was blanketed by radio and other addresses, posters, newspaper and magazine articles, special gatherings of service organizations, mass meetings which drew literally thousands of persons, and a great variety of other publicity methods.

#### Many Radio Addresses

Among the radio speakers were Superintendent Van Schaick of New York, who talked over WJZ in a nationwide hookup; Walter LeMar Talbot, president Fidelity Mutual, who spoke Monday over WLIT; William A. Law, president Penn Mutual, Tuesday over WCAU; M. Albert Linton, president Provident Mutual, Tuesday, over WFI. The Philadelphia chamber of commerce sponsored a woman's hour over WPEN on the subject of life insurance.

The Life Underwriters Association of New York City held a great meeting with President Linton of the Provident Mutual as principal speaker. The Life Underwriters Association of Northern New Jersey met in Newark to hear H. M. Holderness, vice-president Connecticut Mutual, speak on "Attaining Financial Independence," and A. E. N. Gray, assistant secretary Prudential, on "Sales Ideas for Financial Independence."

#### Los Angeles Mass Meeting

Spencer Marsh, vice-president National Newark & Essex Banking Company, Newark, spoke over WOR. V. B. Coffin, superintendent of agents, Connecticut Mutual, addressed a breakfast meeting of the Pittsburgh Life Underwriters Association and H. L. Andrews, executive secretary of the association, spoke over WWSW.

The week opened in Los Angeles with a mass meeting attended by 5,000 persons.

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### Many Executives Insisting On Cutting Off Side Show

The last three years have brought forcibly to the realization of life companies the danger that confronts them in being too extensively in the banking business. There is a widespread public opinion to eliminate banks from other than strictly banking functions. It is regarded as true that the bad record the banks have made is due not to the ordinary and legitimate banking activities but to the fact that the banks have been led into outside fields and, as President Roosevelt expressed it, have used the money of depositors for speculative purposes.

#### Keep Banks Within Domain

Therefore the national administration has public opinion soundly back of it in favor of divorcing banking entirely from speculation and keeping the banks strictly within the banking domain. The banks through their affiliates have engaged in various enterprises that should have no relation to legitimate banking. It is because of the fact that banks have strayed from the fold that they found themselves in a sorry plight. Under the Canadian banking system there have been no failures of banking enterprises in the Dominion for nine years. Canada restricts banks to banking.

It is the policy of the administration at Washington undoubtedly to endeavor to divorce banking from side issues and affiliations which do not belong strictly to banking and which have proved to be disastrous in their results. This is a wise course to follow and an excellent policy for the administration to adopt.

#### Apply Principle to Life Insurance

The people are demanding greater protection and more exacting supervision as to banks. They want removed from banks all extraneous activities. While this policy is being pursued in banking, naturally the public will demand a similar course to be followed with life insurance. It is as essential to have security in life insurance as in banking. It has been demonstrated that it is the side-shows that have brought banking into disrepute and caused the failure of so many institutions. Similarly it is the exotic or ultra banking features attached to life insurance that have caused it the greatest trouble. In the early days life insurance was divorced almost entirely from banking. There were no compulsory cash or surrender values. When they were given there was a severe penalty. Gradually, however, the element of investment came into life insurance and it was carried along in a proper manner until competition forced it far to the fore.

#### Demand for Investment

There will always be a demand for what might be called the investment feature of life insurance in limited pay life, endowments and other forms of policies where along with the protection there will be the creation of an estate or sinking fund for emergencies. The investment features in life insurance should always be regarded as a defense or sinking fund to be drawn on only in case of real need. People have been

buying life insurance in recent years for the purpose of laying up an investment fund that could be called upon for all sorts of purposes and relying on a life company to be a banker. This has caused companies to amass large funds which could be drawn out on demand. The companies are expected, of course, to earn their legal rate of interest which may be 3 or 3½ per cent and then to invest so that there is a considerable margin above that.

#### Proceeds Left with Companies

Companies on proceeds left with policies have been guaranteeing from 4 to 5 percent without hesitation. Some have even gone beyond 5 percent. They have gradually eliminated the charge for surrenders and have been ultra liberal with loans. Companies have urged people to leave the proceeds of their policies with them on which they guaranteed a legal rate of interest and paid as much more as they could, paying usually 1 or 1½ percent more than the legal rate. The companies thus made themselves open to wholesale withdrawal of funds on demand. The policy of some of the leading companies has been to give the withdrawing policyholder as much consideration as the one who has a maturing endowment or the beneficiary or estate at death. Others feel that it has become entirely too easy to withdraw funds and the companies had no means of protecting themselves.

#### Invested in Banking Paper

The last few years have forced companies to invest in what might be termed banking paper instead of life insurance investments which are usually long term securities. This has tended therefore to withdraw from constructive effort life insurance money. Companies did not feel disposed to invest in long term bonds which might mean the upbuilding of great enterprises. They have shied away from municipals and therefore the effect has been felt in the issuing of bonds of that character. The companies have bought government bonds or the safest kind of securities of early maturity. The companies have no way of protecting themselves against wholesale demands. Investments have been tapped because of inordinate loans and surrenders. The question now arises as to what attitude the companies should assume in this direction.

#### Easy for People to Get Out

Under present regulations life companies are doing practically a banking business because they have made it very easy for people to go to their companies and get their money. Funds have been built up chiefly for withdrawal for outside purposes. If this policy continues the entire investment plan of life insurance will have to be changed. Companies can no longer feel safe in investing in types of securities they have in the past where the maturity date is far ahead. This would be disastrous in its nature. Some advocate an amendment to the federal reserve banking act

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### Weekly Reports Are to Be Asked

Blanks Being Prepared to Use Data in Making Moratorium Decision

#### STATISTICS ARE WANTED

Nelson B. Hadley and W. C. Robinson at Work on the Forms That Will Be Employed

Nelson B. Hadley, chief life insurance examiner of the New York department, and W. C. Robinson, actuary of the Ohio department, are now at work preparing a blank on which life insurance companies will be requested to report each week to the insurance department of their home states. The information thus developed will be used by the National Convention of Insurance Commissioners in determining what action to take in connection with the life insurance moratoria.

Mr. Robinson and Mr. Hadley constitute a subcommittee of the special committee that was appointed at the meeting of the National Convention of Insurance Commissioners in Chicago to investigate further the moratorium question and report back at the June meeting of the convention. Several witnesses at the Chicago meeting of the commissioners' convention stated that moratorium action should be based upon statistics. That is, the commissioners should know the trend of policy loan and cash surrender demands; they should know the percentage of liquidity of the companies and should have other pertinent information on which to base a decision.

#### To Tabulate Returns

The plan is that the information developed on the blanks, which Mr. Robinson and Mr. Hadley are preparing, shall be forwarded to the New York department late in May for tabulation. The aggregate result can then be submitted to the insurance commissioners at their convention in Chicago in June.

Just what the blanks will embody is not known, inasmuch as the work of preparing them is still in progress. Mr. Robinson is chairman of the blanks committee of the National Convention of Insurance Commissioners.

The special committee of the National Convention of Insurance Commissioners on the life insurance moratorium consists of Van Schaick, New York; Clark, Iowa; Tangeman, Ohio; Thompson, Missouri; and Brown, Massachusetts.

Commissioner Hobbs of Kansas has ordered Kansas life companies to make semi-monthly reports to him of their receipts and expenditures. The order is made under an old section of the statutes which requires every company organized in Kansas or doing business in

(CONTINUED ON PAGE 20)

## Decision in Illinois Life Case Is Anticipated Soon

CONTRACT BEING ANALYZED

J. S. Kemper Sets Up the Plan to Be Followed by Mutual Protection Life

Early decision on reinsurance of the Illinois Life in the Mutual Protection Life formed by James S. Kemper and his interests in Chicago was still further postponed this week by complete rewriting of the contract offered a week ago. This was made necessary by the filing of innumerable objections by a number of groups of intervening petitioners.

Federal Judge Wilkerson briefly heard the case Tuesday, but upon a showing that the rewritten contract had just been given to Receiver Davis and several days would be required to analyze it, set hearing over until Saturday morning.

### Asks Estimate by Actuary

H. J. Friedman, attorney for a policyholders' protective committee, read a memorandum urging that the court clarify the confusing situation by directing that E. B. Fackler, of consulting actuaries of New York, representing the receiver, prepare these computations and file them as soon as possible:

(1) To what extent capital and surplus set up by the Mutual Protection will be used under terms of the agreement by Illinois Life policyholders, and what is the reasonable value of this accommodation; (2) a list of the ways in which the new company may make a profit under the contract and an estimate of financial value of such profits at the present time.

It was presented that these figures would assist the court in comparing the value of the Kemper bid (through the Associated Mutuals of Boston, an agency for this deal) with any other proposal. The court questioned Mr. Fackler as to the possibility of making such computations but did not issue an order.

Judge Wilkerson indicated that after oral argument Saturday, some time must

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## New Business Off 28 Percent During the Ides of March

NEW YORK, April 20.—New life insurance produced in March was 28 percent less than in March, 1932, according to the Association of Life Insurance Presidents. The total new business written by its 43 member companies was \$640,414,000 in March against \$888,966,000 last year; new ordinary \$435,308,000 against \$592,333,000, a decrease 26.5 percent; industrial \$187,761,000 against \$251,059,000, decrease 25.2 percent; group \$17,345,000 against \$45,574,000, decrease of 61.9 percent.

The new paid-for business for each of the first three months of 1932 and 1933, is shown in the following table:

Ordinary Insurance				1933 Over 1932
	1932	1933		Pct.
Jan.	\$ 614,040,000	\$ 423,573,000		—31.0
Feb.	575,497,000	424,483,000		—26.2
March	592,333,000	435,308,000		—26.5
	\$1,781,870,000	\$1,283,364,000		—28.0
Industrial Insurance				
Jan.	\$ 217,552,000	\$ 168,312,000		—22.6
Feb.	220,568,000	168,400,000		—23.7
March	251,059,000	187,761,000		—25.2
	\$ 689,179,000	\$ 524,473,000		—23.9
Group Insurance				
Jan.	\$ 111,919,000	\$ 22,546,000		—79.9
Feb.	35,122,000	16,842,000		—52.0
March	45,574,000	17,345,000		—61.9
	\$ 192,615,000	\$ 56,733,000		—70.5
Total Insurance				
Jan.	\$ 943,511,000	\$ 614,431,000		—34.9
Feb.	831,187,000	609,725,000		—26.6
March	888,966,000	640,414,000		—28.0
	\$2,663,664,000	\$1,864,570,000		—30.0

### Solicited for South Bend Concern

A. D. Wells, a native of North Carolina, who resides in Portland, Ore., has been fined \$50 and costs on a charge of selling insurance without a license in Oregon. Commissioner Averill had the case prosecuted. Mr. Wells had been soliciting business for the American Aid Association of South Bend, Ind. This concern seeks patronage from postmasters, postoffice and other public employees.

## Two Receiver Suits Filed Against Cosmopolitan Life

ONE BY ATTORNEY GENERAL

Policyholder Makes Allegations of Fraud and Deceit and Demands an Accounting of Chicago Company

Two suits for receivership have been filed against the Cosmopolitan Life of Chicago, one by the attorney-general of Illinois and the other by a policyholder, Eli Isadore Kleinman. The latter was filed last December, demanding an accounting and a receiver, on the ground of fraud and deceit and danger of dissipation of assets. The bill of the attorney-general was filed following an examination by the insurance department which showed an alleged impairment of large amount.

The answer filed by the company to the attorney-general's bill denies that the examination showed assets less than liabilities. It denies that the deficit was \$114,248, or that there was any deficit. It denies that \$527,958 should be deducted from its gross assets. It denies that the book value of bonds over market value was \$43,587 and denies that a credit due from the American Benefit Life of \$419,214 was a fictitious credit. The bill of complaint was not available.

### Allegations Sensational

The allegations in the Kleinman suit are sensational but are denied by the company. Kleinman alleges that on August 16, 1932, he applied for two policies, one for \$8,000 and one for \$2,000 and that he paid \$1,864 on a representation that the policies thus were fully paid. He alleges that on the application for policy No. 11,003 the following was inserted after he signed it and without his knowledge: "Receipt with this application of the following securities is hereby acknowledged, that is, Western Power & Light, 6 percent, 1948, \$3,000; Mayflower Hotel, Washington, D. C., 6 per cent, 1948, \$1,000; Hotel Sherman, Chicago, 6 per cent, 1948, \$3,000; LaSalle-Wacker Building, 6 percent, 1938, \$1,000, and in consideration of the above securities, the sum of \$1,864 is hereby paid to the policyholder."

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## Illinois Decision Regarded as Significant in Scope

INVOLVES LOANS ON POLICIES

Appellate Court Held Fraternal Within Its Rights in Protecting Entire Membership

A decision that has a bearing on the right of companies to suspend agreements to make policy loans when conditions resulting from depression change the situation greatly is found in the Illinois appellate court case decided this week, the opinion being written by Judge M. M. Gridley. The suit was brought against the Ancient Order of United Workmen of Iowa by J. R. H. Potts of Chicago, former master of the society in Illinois. He had been a member for 20 years. On Dec. 15 last he applied for a loan of \$2,790 on three certificates. Owing to the fact that the fraternal was deluged with applications for loans, a rule was adopted to make such only in order in which the applications were received and when the funds were available for the purpose. When his application was refused Mr. Potts filed suit alleging breach of contract and wanted judgment for the full amount of the loan application which was given in the lower court.

### Appellate Court Decision

In reversing the judgment the appellate court held that the lower court erred in the following particulars:

1. The A. O. U. W. policy was issued subject to any rules and by-laws which might be enacted subsequently.
2. Investments were such that they could not be immediately liquidated under existing conditions without large losses. The loan restriction was therefore reasonable.
3. The insurance commissioner of Iowa in ordering the suspension of policy loans held rightly in considering the rights of the membership as a whole, superior to the fraternal's obligation to an individual member.

## Fred B. Humphrey's Change

Spectator's Vice President Takes Management of The National Underwriter in the Southwest

Fred B. Humphrey has resigned as vice-president of the Spectator Company to become southwestern manager of THE NATIONAL UNDERWRITER succeeding R. J. McGehean. Mr. Humphrey will make headquarters at 1514 Kirby building in Dallas.

Mr. Humphrey is one of the most widely known business producers in the ranks of insurance papers. He began with "Rough Notes" in 1909 when Dr. H. C. Martin was the editor. For many years Mr. Humphrey was the only traveling man on the road for "Rough Notes."

In 1916 he went with the "Spectator" and for that publication traveled in the south, middle west and made periodical trips to the Pacific Coast. Mr. Humphrey has an extensive acquaintance among home office officials throughout the country.

### Vermillion Agency Meeting

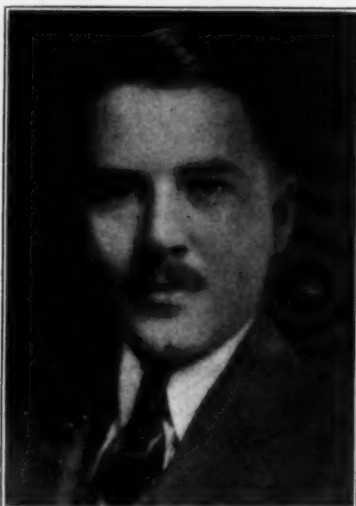
The annual field club meeting of the Mutual Life of New York agency in Wisconsin and upper Michigan under Manager G. T. Vermillion will be held in Milwaukee, April 27.

J. R. Hastie, president Chicago Life Underwriters Association, will speak on "Reorganizing Ourselves to Meet Existing Conditions." Samuel Heifetz, Chicago agency manager, will present the cup won by the Milwaukee agency in leading in paid for business for the year ending March 28.

## New Buffalo Mutual Life Official Lineup



GEORGE W. CURTIS  
President  
Head of Engineers' Supply Company



EDWARD B. HORNING  
Chairman Executive Committee and  
General Counsel



E. PARKER WAGGONER  
Vice-President and Superintendent  
of Agents

The Buffalo Mutual Life has effected a change in its management. George W. Curtis, who is now president, has been a director of the Buffalo Mutual since 1924. He also heads the Curtis Supply Company, distributors of engineers' supplies. He was born in 1882 in Brookdale, N. Y. Edward B. Horn-

ing, chairman of the executive committee and general counsel, is a specialist in private railroad and insurance corporation law. He was formerly an associate professor at the University of Buffalo. He was born in 1901 and is a graduate of Harvard law school.

E. Parker Waggoner, first vice-presi-

dent and superintendent of agents, has been with the company a number of years. He started as assistant secretary and since 1928 he has been superintendent of agents. He was born in 1881. He is active in public life and served on the Erie county, N. Y., board of supervisors for six years.



## Moratorium Most Feared by Agents

Public Generally Found to Be Philosophical Over Restrictions; Recent Liberalization Helps

### PREMIUM LOANS LOWER

Annuities, Retirement Income, Family Income and Juvenile Forms Selling Better, Ordinary in Bad

There are three significant notes in life insurance at the moment. Agencies far and wide comment that the public is and has been for several weeks much less concerned over the policy moratorium than the agents.

The recent liberalization of state decrees permitting full values for loan and surrender purposes to accrue from new premium payments has had a distinct effect in reducing the number of premium loans, which for a time threatened to become as serious a problem as were the cash premium loans.

#### No Preponderance of Term

Finally, many agencies report that the flood of term insurance which was anticipated has not appeared. Of the three, this is perhaps most significant. The other two reactions were the result of merely temporary conditions. However, a number of forward-looking life men have been free in their predictions that a great increase in the percentage of term insurance sold might confidently be expected as a result of depression conditions, wide need for insurance and less money with which to buy it; perhaps also a permanent effect of the policy moratorium—a greater sales resistance to high premium, cash value policies.

A number of large agencies this week report term insurance applications are nearly normal. The public is as usual buying a larger proportion of ordinary life than of any other form, but less than formerly. Annuities and retirement income forms are much more popular than in the past. Many agencies are pushing family income. One large agency reports that it has not received a term application in the last 30 days. The three other forms mentioned are being sold heavily.

#### Use Family Income Approach

A second large old agency is finding that an approach to sell ordinary life insurance creates sales resistance or is met apathetically in a large percentage of cases. Yet oddly enough most of the policies sold by this agency are ordinary life. A prepared canvass on family income is used by most of the agents. It is reasoned that this creates initial interest in an income plan. Then when the matter of premium comes up the prospect finds he can more readily meet an ordinary life premium than one for the family income, which is several dollars per \$1,000 higher.

Agencies very generally report that they have been met by no policy moratorium opposition in the last two weeks. One agency sent all agents out to keep complete records on this point. It was found that not one prospect in 50 brought up the subject voluntarily. After the first few days of near-hysteria over the moratorium, when a huge demand for policy loans was created largely by the fact that policyholders could not get their money, the explanations of life agents apparently served to quiet the public fears.

(CONTINUED ON PAGE 21)

## State Governors Pay Tribute to Work of Life Insurance

Some letters sent to H. M. Holder-ness of the Connecticut Mutual, chairman of financial independence week, created wide attention. Gov. H. H. Lehman of New York said:

"As a policyholder carrying a large amount of insurance, I know the satisfaction and contentment that comes from life insurance. Cooperation and unselfish sacrifices of the many to mitigate the misfortune of the few should appeal to everyone interested in the welfare of the country. The thrift which has built up the great reservoir of the insurance assets has been amply rewarded by the value of life insurance during the present economic depression. The stability of life insurance through this period, I think, should be a source of pride to all of our citizens."

Alfred E. Smith

Former Governor Alfred E. Smith said: "Certainly no better advice can be given the average man than to take steps to safeguard his family's future and provide for his own old age. As a practical philosophy life insurance and annuities are doing a great deal to make the lives of the American people safe and secure."

Governor George White of Ohio said: "The people of the United States have come to look upon life insurance as the most stable type of financial institution and their confidence has not been misplaced as demonstrated by the way in which the life insurance companies as a whole have come through the severest financial stress which this country has ever borne. It is practically impossible to estimate the good which has been done through the payment of the claims

which have accrued since the inception of life insurance in the United States, to say nothing of the benefits which have been derived from the use of insurance funds in the upbuilding of the nation. I hope that the institution of life insurance will continue to be the bulwark of our financial structure and not deviate from the ideals on which it was founded."

Governor Ely of Massachusetts

Governor J. P. Ely of Massachusetts said: "In no other country have the possibilities of life insurance been so developed as in the United States. Few indeed are the American families with any regard for the future, who do not hold some form of life insurance as a back-log to protect them and their children against uncertainty and the diminishing income of old age. It is a tribute to the underwriters' profession that Americans have come to accept as a matter of course the strength and stability of the great insurance companies, the proper management of whose offices means so much toward the financial independence of so many households. I am glad to know that public attention is to be directed to this work in an appropriate way."

Governor Horner of Illinois

Governor Henry Horner of Illinois said: "It was my good fortune, for more than eighteen years, to learn the great value of life insurance. During that period I sat in the probate court of Cook county, where almost daily the beneficial values of life insurance were made manifest to me. I am a believer in it.

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## Stress Soundness of Life Policies

Companies Are Forced to Keep Their Assets Always Active

### PAY REASONABLE DEMAND

New York Superintendent and Fidelity Mutual President Speak on Financial Independence

Superintendent Van Schaick of New York and Walter LeMar Talbot, president Fidelity Mutual Life, gave radio talks as a part of the Financial Independence Week program.

Financial independence through life insurance is made more secure by the fact that insurance commissioners now have the power to give needed protection in times of emergency, Superintendent Van Schaick stated in a talk over WJZ. He was introduced by R. B. Hull, managing director National Association of Life Underwriters.

He said a life company must keep its assets active; it must not hoard, and therefore must invest. Funds must be put to work so the proceeds derived therefrom may maintain the expense of the insurance within reach of those of slender means. If life companies were required to maintain their assets ready for withdrawal at a moment's notice, then industry would be dealt a severe blow and the average return to policyholders could be no more than that actually paid in premiums, he said. No active, living financial institution is 100 percent liquid, nor approximately so.

#### Meeting Reasonable Demands

While policy restrictions occasionally result in hardship, quite generally the necessary cases have been cared for by adequate exceptions. Mr. Van Schaick finds that life companies are meeting and are prepared to meet all reasonable demands of policyholders. However, credit facilities of the country are not normal which explains why policy restrictions cannot be lifted entirely.

The real question for every man and woman in this country is not what amount of insurance he should buy, but what amount of money per month or year will give him independence as long as he lives, President Talbot stated in a broadcast from Philadelphia.

He said it might seem that a man could take upon himself the care and thought of his own investments; that he might feel his judgment to be as capable and conservative as that of life companies and after securing an adequate amount of straight life insurance, he could take care of his own financial independence in later life.

#### Method Proved Unsuccessful

Mr. Talbot finds, however, a rather short and plain answer. There are many very sorry men today who thought in that way some years ago and many families which would be happier had financial independence through life insurance been a part of the household budget. He also finds there is something in the makeup of human beings which makes it easier for them to work, sacrifice and save when the way is pointed and they do it in company with others. Life insurance offers the ideal medium in this respect.

Life insurance offers first the collective power of its enormous policyholder membership; second, a reasonable return guaranteed, and third, conserva-

(CONTINUED ON PAGE 21)

## "Play Ball!"

Ball is here again, and the national tongue is volubly wagging once again—in volume high above all other discussions—about the chances of the leagues and the possibilities of the teams. In brief, the game is on! And all the time that the players are daily fighting, salesmen everywhere and in every line will be daily fighting. Some will win and some will lose, but we must play on and on, confident of the eventful uplift that is certain to come. Our attitude must be that which President John Arnold Heydler, of the National League, described a few days ago in an address to his players. He said:—

"Action and hustle, and still more action and hustle, are needed in our games. Be enthusiastic and cheerful. Don't moan and quit if in a batting slump. Luck changes for the fellow who keeps on trying."

One characteristic, among other fine ones that life underwriters are noted for, is that they do not "moan and quit if in a batting slump."

### THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

PHILADELPHIA

## A COMPLETE LINE

The Missouri State Life provides the field man with a complete line of policy forms offering a wide range of non-participating and participating contracts, designed to meet the varying needs of individual prospects. Life—Accident & Health—Group—Salary Savings.

Liberal Agency contracts, prompt underwriting service, helpful field cooperation.



## MISSOURI STATE LIFE INSURANCE COMPANY

St. Louis, Missouri

Life—Accident and Health—Group and Salary Savings

### Must Sell Fundamental Uses of Life Insurance Contract

FREDERICK FAULKNER TALKS

Nothing Is Interfering With Main Functions of Paying Claims and Matured Endowments

SACRAMENTO, CAL., April 20.—A forceful talk was given here Monday before the sales congress sponsored by the Sacramento and Stockton Life Underwriters Associations, by Frederick Faulkner, superintendent of field service California-Western States Life, in which he stressed the necessity of getting back to fundamentals in the light of present developments in the life insurance field. The restrictions on cash and loan values do not touch the essential and fundamental provisions of the life insurance contract, declared Mr. Faulkner. Nothing is interfering with the payment of death claims, disability claims, of endowments, matured according to contract, of monthly installments of policy proceeds left under deferred settlement clauses, or interest earned on funds left on deposit at contractual rates. These are the principal things contracted for by life insurance companies.

"We have to abandon our tactics of selling cash values and instead sell insurance and investment protection for a man's dependents against his death, protection of the insured against loss of income in his old age, sell money for delivery to children when they need it for their education and for other necessary purposes. If we have not re-adjusted our sales formula, we must do so at once."

#### Undue Emphasis on Cash

Mr. Faulkner pointed out the regrettable result of placing undue emphasis upon cash and loan values. The original policy contracts were short and simple and contained little more than that the insured promised to pay premiums and the companies promised to pay benefits under given conditions. But as competition has become keener, the companies have been vying with each other in the amount of cash and loan values.

Life underwriters, he said, have had a lot to do with developing this emphasis upon the options of surrendering the policy for cash or borrowing on it at the policyholder's convenience, despite warnings to sell life insurance protection first and all the time.

#### Some Have Been Stubborn

"But some of us have been stubborn about this. We have tried to improve the intent and the spirit of the contract. That was all wrong, and it was just as wrong in our most prosperous periods as it is in a period when special safety measures must be set up.

"Both the field representatives of guaranteed cost companies and participating companies have offended in this regard. Whenever there was competition on a case, and in many other cases out of sheer force of habit and without the provocation of competition, men have insisted upon setting up romantic tables of net costs. They have shown the net cost at the end of five years, at the end of ten years, at the end of 15 years, and at the end of 20 years, and to do this they have written always the cash values into the presentation.

"By doing this they have created a dominant interest on the part of the policyholder in cash values. This was bad salesmanship. If any policyholder was convinced that he was buying a net cost at the end of ten years he was rendered a distinct disservice. His attention was diverted from the main values of his life insurance policy."

Mr. Faulkner said that the nation-wide restrictions upon cash surrender and loan values must be regarded as part of the treatment prescribed by the federal

### Goes to Winnipeg



H. A. H. BAKER

H. A. H. Baker, who is appointed manager of the Winnipeg branch of the Great-West Life, started as a personal producer and then as an agency manager for the Equitable Life in New York City. He has always been active in the life underwriters' associations.

### Plans for New York Muster

State Life Underwriters Association Announces Program for Its Albany Sales Congress

With the exception of one speaker the program for the New York State Life Underwriters Association's sales congress at Albany May 19 has been completed. G. A. Kederich, president of the state organization, has announced that the following will speak: F. H. Davis, vice-president Penn Mutual Life; J. A. Giffin, assistant agency manager, Phoenix Mutual Life; Julian S. Myrick, manager in New York City, Mutual Life of New York; Superintendent Van Schaick of the New York department; E. J. Wilson, Engelsman (New York City) agency of the Penn Mutual Life; G. F. Davies, Life Insurance Sales Research Bureau; H. E. North, third vice-president, Metropolitan Life; and Managing Director R. B. Hull of the National Association.

### Invite Benevolents to Illinois

MADISON, WIS., April 20.—Claiming that Illinois gives ample protection to members of benevolent organizations, the Great Northern Estate Corporation of Rockford, Ill., has sent an appeal to all members of such organizations in Wisconsin to join. All told there are said to be 200,000 "benevolents" in the state. Commissioner H. J. Mortensen has outlawed these organizations and the legislature has refused to overturn the insurance department's ruling.

By a decisive vote the state senate defeated the Zantow bill to legalize benevolents in Wisconsin. The Rockford concern issues a policy free to Wisconsin people but requires \$1 monthly payment.

government for the general financial situation, and does not reflect in any way on the financial situation of life insurance as a whole. He urged life underwriters to sell the story of the splendid proving of life insurance during the depression years and not to get into an apologetic mood. "Our business," he said, "has no need for apologies and no permanent place for them."



## Figures for Life Companies in New York State in 1932

### GIVE NEW BUSINESS LEADERS

State Department Report Shows Total Insurance Issued Last Year Was **\$2,801,374,802**

The New York advance insurance report shows that in New York state last year there was an aggregate of \$2,801,374,802 insurance written including group and industrial. The amount of insurance in force was \$1,407,724,573. There was \$3,660,468,009 insurance terminated of all kinds last year.

Taking the ordinary insurance, the leaders in New York state were as follows:

	New Business	In Force
Equitable, N. Y.	\$139,002,363	\$1,614,579,113
Guardian	22,115,241	185,089,768
Home Life	12,465,139	111,843,881
Metropolitan	335,757,600	2,270,968,610
Mutual Life	76,369,310	893,532,415
New York Life	125,798,266	1,657,165,889
Aetna Life	37,260,415	357,326,828
Conn. General	18,705,216	211,475,809
Conn. Mutual	30,294,740	256,517,079
John Hancock	74,519,023	535,615,426
Mutual Benefit	44,636,809	386,342,933
Mutual Benefit	26,992,604	410,805,620
New Eng. Mut.	23,675,961	205,907,203
Northwest'n M.	46,359,252	569,155,690
Penn. Mutual	30,809,411	408,831,389
Phoenix Mutual	15,251,593	110,033,119
Provident Mut.	17,106,127	131,437,574
Prudential	319,516,733	1,810,786,670
State Mutual	11,879,002	129,833,490
Travelers	86,149,329	976,003,052
Union Central	29,392,110	266,330,527

### Figures on Ordinary Business

In the ordinary department the New York companies issued \$748,486,334 and had \$6,944,558,120 in force. The companies of other states issued \$852,992,703 and had \$7,091,361,394 insurance in force. There are four Canadian companies licensed in New York state, Canada Life, Confederation Life, Imperial Life and Mutual Life of Canada. The Canada Life led with new business \$2,045,003 and has in force \$56,827,650. The total Canadian new business in New York amounted to \$3,062,664.

The group business in New York state last year amounted to \$399,075,621, there being \$1,651,734,176 insurance in force. The Equitable led with \$135,561,442 new business, having \$362,308,442 in force. The Metropolitan was next with \$94,360,639 with \$552,667,240 in force. Next was the Aetna Life with \$49,472,637 new business and \$210,347,175 insurance in force. The Travelers had \$44,602,917, new business and \$270,346,998 insurance in force. The Prudential had new business of \$32,256,781 and has in force \$166,363,250. The John Hancock had new business of \$27,521,450 and has in force \$40,291,000.

The industrial new business last year amounted to \$797,757,478 with \$3,642,126,374 insurance in force. The Prudential led with \$373,888,993 new business. The Metropolitan was next with \$313,404,061. The John Hancock had \$88,932,403 and the Colonial Life of New Jersey \$21,455,621.

## Palmer Says Insurance Has Demonstrated Its Strength

Insurance Superintendent Palmer of Illinois in his talk before the Rotary Club at Springfield Tuesday evening said he expects the proposed law regulating the investments of life companies to be passed at this session of the legislature. At the next session in 1935, he said that he will present a new insurance code which he thinks will be equal to that of any other state. The insurance business is sound, Superintendent Palmer declared in his talk. He said it has stood up as well as any other business during the depression. It will continue to protect the people of this country and their faith displayed in it is justifiable, he added.

## Interest Rates Allowed on Proceeds This Year

(From the Little Gem Chart of The National Underwriter.)

Company	Per Cent.	Company	Per Cent.
Abr. Line	5.0	Midland Mut.	4.5
Aetna Mutual	4.75	Midwest Neb.	4.5
Aetna	4.5	Minn. Mut.	4.75
Am. Cent., Ind.	4.75	Missouri State	4.5
American, Mich.	5.0	Modern	4.8
Amicable	5.0	Monarch	4.5
Atlantic, Va.	4.5	Montana	5.0
Bankers, Ia.	4.5	Mut. Benefit	4.5
Bankers, Neb.	4.0	Mut. L. N. Y.	4.5
Bankers Nat'l.	4.75	Mut. Trust	4.5
Berkshire	4.5	Nat'l. Guard	4.75
Brooklyn Nat'l.	4.5	Nat'l. L. Ia.	4.5
Calif.-Westorn.	5.0	Nat'l. L. Ill.	4.5
Canada Life	5.0	Nat'l. L. Vt.	4.5
Capitol, Colo.	5.0	New Eng. Mut.	4.75
Central L. Ia.	4.6	New World	4.5
Central L. Ill.	4.75	New York L.	4.5
Central St., Mo.	5.0	N. Amer., Ill.	4.5
Colorado	5.0	North L. Wash.	5.0
Columbia, Ohio	4.75	Northw. Mut.	4.5
Columb. Nat'l.	4.75	Northw. Nat'l.	4.5
Columbus Mut.	5.0	Occidental, Cal.	5.0
Commw. Ky.	5.2	Ohio Nat'l.	4.5
Connec. Gen'l.	4.5	Ohio State	4.75
Connec. Mut.	4.6	Old Line, Neb.	4.0
Con. Assur., Ill.	4.5	Oregon Mut.	4.5
Continental, Mo.	5.0	Pacific Mut.	4.5
Detroit Life	4.5	Pacific States	5.0
Equitable, N. Y.	4.65	Pan-American	4.5
Equitable, Ia.	4.5	Penn. Mutual	4.5
Farm. & Bkrs.	4.25	Peoples, Ind.	5.0
Farm. & Trad.	4.5	Peoria Life	5.0
Federal Reserve	4.25	Philadelphia	4.5
Fidelity Mut.	4.6	Phoenix Mut.	4.7
Franklin	5.0	Pilot Life	5.0
Geo. Wash.	4.0	Protective, Ala.	4.5
Girard	4.75	Prov. L. & A.	4.5
Gr. W. L., Can.	5.0	Prov. Mut.	4.75
Guarantee Mut.	4.5	Prudential	4.5
Guaranty, Ia.	4.25	Puritan	4.0
Guardian, N. Y.	5.0	Register, Ia.	4.0
Home L. N. Y.	4.6	Reliance Life	4.75
Indianapolis L.	5.0	Royal Un. L.	4.25
Inter-Southern	5.0	Sec. L. & T.	5.0
Jefferson Stan.	5.0	Sec. Mut., Neb.	4.5
J. Hancock Mut.	4.5	Sec. Mut., N. Y.	4.5
La Fayette, Ind.	4.5	Southw. Tex.	5.0
Lamar Life	4.5	State L. Ind.	4.5
L. & Cas., Tenn.	5.0	State Mut.	4.6
L. Ins. Co., Va.	4.5	Sun L. Can.	4.75
Ldn. Nat'l., Ind.	4.75	Sun L. Md.	4.75
Manhattan L.	4.0	Union Central	4.5
Manuf., Can.	5.0	Union Mut. Me.	4.2
Marland	4.5	United Fidelity	4.5
Mazs. Mut.	4.75	United L. & A.	4.5
Metropolitan	4.6	U. S. Life	4.7
Mich. Life	4.5	Volunteer State	5.0
Midland, Mo.	4.5	West Coast	4.75
		Wisconsin Life	5.0

### Rates of Interest on dividends left with company:

(a) 5%—(b) 4.75%—(c) 4.5%—(d) 3.5%—(e) 4.25%—(f) 4.25% if funds are withdrawable at any time.

## McClain Indianapolis Speaker

### New Indiana Commissioner Addresses Local Association and Gives Radio Talk

INDIANAPOLIS, April 20.—Commissioner H. E. McClain spoke at the breakfast Monday with which the Indianapolis Association of Life Underwriters opened financial independence week, with over 800 present, and gave a radio talk Monday night.

"I don't know what your definition of financial independence may be," he said in his radio address, "but to me it has very little to do with the accumulation of wealth, in the sense in which most of us have understood that interesting occupation in the past. I like to think of financial independence as being a personal goal which, when reached, makes two things as nearly certain as human limitations will permit:

"1. That I will have the assurance of at least enough income every month with which to buy the basic necessities of life when the time arrives that advancing years destroy or decrease my earning power.

"2. I want to provide, in some way, an amount of money that will replace the portion of my present earnings in the event of my early death which would be required to guarantee those same basic necessities for my family."

He reviewed what life insurance had accomplished in the past three years, and said: "As your insurance representative in the government of this state, I want to assure you that everything possible has been done and will continue to be done to make it possible for you to look confidently to your life insurance as a positive means through which financial independence may be guaranteed for you and yours."

# Back to Bed-Rock

**T**ODAY we are back to fundamentals. Safety of principal is again the first consideration of those who seek to build a reserve for their later years.

In line with the increased recognition of this bed-rock principle of safe investment, the New York Life offers a wide range of insurance and annuity contracts to fit the particular needs of those who seek to assure themselves of a thoroughly dependable source of income in their later years.

During the past 88 years the New York Life has paid over \$2,408,750,000 to living policyholders, including over \$182,000,000 in maturing policies and other cash benefits during 1932.

A New York Life agent sells practical, time-tested plans for achieving the goal of financial independence.



HOME OFFICE BUILDING

## NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE  
NEW YORK, N. Y.

## Why Restrictions Are Needed as to Loans and Surrenders

NEW YORK, April 20.—In view of the United States government's suspension of its promise to pay gold on demand to holders of federal reserve notes and other gold-backed currency, the institution of life insurance should not be criticized for being temporarily prohibited from paying out loans and surrenders unrestrictedly, President M. A. Linton of the Provident Mutual Life told New York City life underwriters at their rally Monday with which they marked the beginning of Financial Independence Week.

### Federal Government Action on Gold

The banking crisis was so serious that it not only caused the government to suspend its promise to pay gold but to cause it to threaten with imprisonment those who had taken advantage of it, Mr. Linton pointed out. He predicted that life insurance would be increasingly criticized for keeping the loan and surrender restrictions in force in the face of improved banking conditions but said

they are necessary because commissioners must determine the exact degree of liquidity of the more than 300 companies in this country, because life insurance, unlike banking, is operated on a countrywide scale, in territory in which some 3,000 banks are still closed and whose conservators would undoubtedly like to get their borrowers to make repayments by making loans against their life insurance, and lastly, because of the danger that a speculative boom would cause a flood of policy loan demands for speculation.

Mr. Linton emphasized the need for removing the restrictions, when the time comes, in an orderly manner. He said a serious fault in the restrictions of most states at present is that they do not allow borrowing above the \$100 maximum in order to buy food.

Other speakers were J. Elliott Hall, general agent Penn Mutual Life, J. S. Myrick, manager Mutual Life of New York, and H. E. North, third vice-president Metropolitan Life. R. G. Engels-

man, general agent Penn Mutual Life, was chairman of the meeting.

### Low Point Passed: Phillips

ST. PAUL, April 20.—The low point in life insurance production probably was reached the first three weeks in March, according to T. A. Phillips, president Minnesota Mutual Life. Since then, President Phillips says in a message to his agents, the situation has been encouraging and more actual sales have been closed.

"March should mark your deepest point," he said. "The letters received indicate you are breaking the lines at many points along the front. An upward trend in the earnings of life insurance salesmen, even though slight, would be most welcome and indeed beneficial to all business."

### Testimonial for Gauss

DETROIT, April 20.—A testimonial dinner to the new Michigan commissioner, C. E. Gauss, was given here last night by the Michigan companies which have their home offices in Detroit. Governor Comstock was present, as was C. D. Livingston, Mr. Gauss' predecessor and now president of the Lloyds of America.

## Agents of Today Have Many Advantages Over 1900 Men

W. W. KLINGMAN REMINISCES

### Equitable Vice-president Says Use of 50 Percent of Capacity Would Bring Success

Selling conditions in the life insurance field are not nearly so difficult today as they were 25 to 30 years ago, W. W. Klingman, vice-president in charge of agencies of the Equitable of New York, told some 600 agents, agency and unit managers of the company's Chicago agencies at a meeting there.

Mr. Klingman pointed out that in the old days an agent first had to sell the idea of life insurance from the ground up, as people were not familiar with it and in fact had an aversion to life insurance based on religious and other grounds. After that the agent had to sell his company, and then himself. Today people have great confidence in the institution, in the financial condition of most of the companies and in the professional ability of the agent. He said in the old days perhaps only one man out of 10 believed in life insurance; today the figure is closer to 99 out of 100.

It is true the agent has a problem in finding among these 99 men those with need for life insurance, medical fitness and ability to pay the premium. Men and women of today have seen life insurance at work. Many have benefited as beneficiaries. They know the benefits because they have enjoyed them.

Mr. Klingman said in 1910 when he went to Minnesota as an agent he had to put in many hours of work a day. He found 60 percent of his business was closed after 8 p. m. He said one of the chief problems in agency ranks today is the agent's willingness to work, or his lack of it; his disposition to use any fair proportion of his capacity. Mr. Klingman said if the agents of the Equitable's Chicago agencies would use 50 percent of their capacity he would have no worries about the entire central department, covering many states, meeting all production quotas.

The financial condition of the larger companies, he said, is sounder than ever.

### Entertainment Plans Laid for Commissioners Meeting

A. V. Gruhn and other officials of the American Mutual Alliance are taking the initiative in arranging entertainment features for those attending the annual meeting of the National Convention of Insurance Commissioners in Chicago June 1-3. Mr. Gruhn is eager to get the names of all those who plan to attend the meeting. He may be reached at 230 North Michigan avenue, Chicago.

According to present plans, the convention crowd will be taken to the world fair grounds the afternoon of June 1 and that evening the American Mutual Alliance will be host at a dinner at the Old Heidelberg restaurant on the world fair grounds. The plan is not to have a lengthy dinner session, but to cut it short, so that the guests may witness the evening's activities at the fair.

Entertainment plans will also be arranged for the other days during the convention, as soon as Mr. Gruhn finds what the business program of the convention will be. A committee probably will be set up to provide entertainment for the ladies during the business sessions of the convention.

### Must File Policy Forms

The Illinois insurance department has requested all companies licensed in Illinois which have not already furnished copies of their policy forms to file them within 30 days.

## U N I F O R M I T Y



## UNIFORM UNDERWRITING POLICIES

Uniformity is an outstanding characteristic of this institution. Its underwriting policies, while flexible enough to keep pace with the changing standards of modern progress, are firmly established. Changes when necessary, are made gradually, orderly, without confusion, or interruption to agency development.

Consistent progress, absence of radicalism, fixity of purpose are but a few of the advantages offered you by this institution, and are evidence of its DURABILITY.

**CONTINENTAL  
ASSURANCE**

CHICAGO



DURABILITY

**CASUALTY  
COMPANIES**

ILLINOIS



## Examples of Men Who "Do Things" During Depression

These difficult times are bringing many illustrations of the power of men to conquer great obstacles. Here are two from the ranks of the New England Mutual.

John E. Gross became a member of the St. Louis agency one year ago last January, and now he is only 24 years old. In the whole of 1932 he paid for \$74,500. January 1933 brought \$6,500, and February, \$1,000. Then he and General Agent Frank M. See got together, with the result that in March Mr. Gross really broke loose. In that month 83 applicants were examined, eight more were signed, and two annuities were sold.

March was one of the hardest months in the history of American business of any kind, and yet this man with the indomitable will produced more applications than any agent of the New England Mutual ever wrote in any month, and for more than twice as much as he paid for during all of 1932.

### A. L. Myrland's Record

Similarly, A. L. Myrland of the Swanson Agency, Chicago, met increasing difficulties with increasing success. Mr. Myrland joined the agency last October. During the three remaining months of 1932 he paid for \$127,500. But beginning with January, when things were getting really difficult, he opened the throttle wide, paying for \$123,500; then February brought \$105,000, and March, the hardest month of all to date, gave \$80,500. The grand total for his six months is 76 cases for \$436,500. He started in life insurance nine years ago. Today he has 12 millions on his books, having paid for over \$1,000,000 his first year. Usually he has from 12 to 15 interviews a day. He has led his agency every month this year, and he is No. 1 man of the company for the first quarter.

## Linton Discussion Leader at U. S. Chamber Conference

M. A. Linton, president of the Provident Mutual Life, will lead the discussion on "The National Asset in Life Insurance" at the insurance round table conference to be held in connection with the annual meeting of the United States Chamber of Commerce in Washington May 2-5. The conference will be presided over by George D. Markham of St. Louis, chairman of the chamber's insurance committee. "Insurance Under Changed Conditions" is the general subject for the conference. There will be discussions on fire and casualty topics as well.

At a luncheon May 2, the winners in the 1932 interchamber fire waste contest and interchamber health conservation contest will be presented with awards.

### Winners in Contest

The winner in group 1 (500,000 population and over) in the health conservation contest is Detroit; group 2 (250,000-500,000) Cincinnati; group 3 (100,000-250,000) Syracuse and New Haven, Conn., (tied); group 4, (50,000-100,000) East Orange, N. J.; group 5 (20,000-50,000) Brookline, Mass.; group 6, (under 20,000) Lodi, Cal.

Other cities to get honorable mention were Milwaukee, Chicago, Baltimore, Pittsburgh, Buffalo, Rochester, N. Y., Newark, Toledo, Minneapolis, Dallas, Peoria, Ill., Hartford, Grand Rapids, Mich., Reading, Pa., Yonkers, N. Y., Evanston, Ill., Pasadena, Cal., Schenectady, Pittsfield, Mass., Charleston, S. C., Lincoln, Neb., Santa Barbara, Cal., West Hartford, Conn., Newberg, N. Y., Watertown, N. Y., Santa Ana, Cal.,

Chestertown, Md., Shorewood, Wis., Palo Alto, Cal., La Salle, Ill., and Peru, Ill.

## Maduro Emphasizes Value of Income Tax Decision

The importance of a recent ruling of the Treasury Department exempting the purchase of an insurance cash value by the insured from income taxation was stressed by D. B. Maduro, counsel of the New York City Life Underwriters' Association, who addressed the April meeting of the New York chapter, C. L. U. It often happens that an executive of a corporation which is carrying business insurance on his life wants to take over the policy by paying the corporation an amount equal to the cash value. There has been considerable discussion as to the tax status of this equity in the policy, some contending that it would be taxable and that the purchase of new insurance was the only way to avoid this tax. The Treasury Department's ruling applies in all cases where it is the insured who is purchasing the equity.

Mr. Maduro also took up the question of trustees or guardians investing trust funds in annuities, life insurance, or endowments. Under the present law

it is not legal to invest funds in these fields unless the maker of the will specifies in the trust agreement that the trustee or guardian shall so invest the funds.

The speaker also advised the inclusion, in settlement option agreements, of an express provision that none of the benefits of the policy are to be subject to claims of any creditor of any beneficiary, as Section 15 of the New York personal property law will not apply unless this provision is specifically included by the assured.

### New Laws in Nebraska

A new law now in force in Nebraska permits the writing of up to \$5,000 of life insurance without a medical examination. Another increases the amount that may be sold upon the lives of children up to 14, but changes the law so that the consent of parents or guardians must be given to any policy issued on the life of a minor. The old law permitted minors over 14 to contract for policies.

Governor Bryan has signed the bill which permits issuance of policies up to \$5,000 without medical examination.

"Business Life Insurance," by Ralph Sanborn. Discusses the various phases of this class of protection, \$3. The National Underwriter.

## Moratorium Three Years Ago Would Have Been Better

A number of people who view the life insurance moratorium philosophically would have been glad if it had been put into effect three years ago. They would today be much better off. A. Van Goldman, manager of the ordinary department of the Prudential at Chicago, told in his agency meeting about two friends of his who came to see him within the last week. One was the head of a chain store system. He had borrowed all the equity on his policies in order to protect his stock holdings and now, not only his stock has shrunk to insignificance but all the investment value of his insurance is gone. Another man of prominence had borrowed on his policies to get in the stock market and therefore had withdrawn all the equity that was there. About all was lost. Both these men told Mr. Van Goldman that the life insurance moratorium was a life saver to many people who would even now use their money for more or less speculative enterprises in spite of the frightful lesson of the depression.

# Montana Life Insurance Company

## HELENA, MONTANA

### Twenty-Third Annual Statement, Dec. 31, 1932

Total Admitted Assets.....	\$12,183,405.55	Total Liabilities.....	\$12,183,405.55
U. S. Treas. Certif. (Amortized).....	378,681.25	Policy Reserves.....	10,001,836.85
Cash on Hand.....	54,225.97	Under the Montana insurance law the securities in which the money is invested are on deposit with the State of Montana.	
Bonds.....	5,656,194.10	Installment Payments to Benef.....	90,717.00
State, county, school district, municipal, public utility, railroad and industrial. Conservatively selected on basis of safety rather than interest yield.		Reported Claims.....	36,684.00
Interest Due and Accrued.....	138,834.78	Reserves for Unreported Claims.....	15,000.00
First Mortgage Loans.....	1,455,987.84	Death Claims Due and Unpaid..	NONE
Loans on improved city property and improved productive farm and ranch property, not to exceed 50 per cent of conservatively appraised value. Residence loans confined to modern, up-to-date homes in desirable districts in well established cities and towns, and all on amortized basis under which loan is reduced by regular monthly payments.		Prem. and Int. Paid in Advance.....	118,385.00
Policy Loans.....	3,729,269.08	All Other Liabilities.....	17,694.33
Stocks.....	NONE	Reserve for Taxes Pay. in 1933.....	99,050.00
Real Estate.....		Contingency Reserve.....	304,038.37
Home Office Building (actual cost in 1924, \$245,516.22).....	200,562.98	Voluntarily set aside as a matter of sound financial judgment to meet any unexpected contingencies that might arise.	
Other real estate acquired through foreclosure.....	134,638.03	Capital Stock.....	\$500,000.00
Real estate acquired through foreclosure, sold under satisfactory contracts.....	115,052.85	Unassigned Surplus.....	\$1,000,000.00
Renewal Premium Notes.....	78,071.05	Surplus to Policyholders.....	1,500,000.00
Other Assets.....	241,887.62		

## Ratio of Assets to Liabilities

For the year ending Dec. 31.....	1930	114.89%
For the year ending Dec. 31.....	1931	116.51
For the year ending Dec. 31.....	1932	117.38

H. R. CUNNINGHAM  
President



## Stated Plainly - -

**C**HANGING Times have never yet made three meals a day and a mother's care unnecessary for a growing child—the wife who may become a widow is still a woman to be provided for—and a retirement income has lost no whit of its attractiveness to men.

Nothing but life insurance can do the job of life insurance. Get busy.

**The Franklin  
Life Insurance  
Company  
Springfield, Illinois**

## CAN HE PAY?

The important question in prospecting today is, "Can he pay?" Fidelity agents learn this in advance, through their lead service, in thousands of cases. This conserves time. It increases the number of hours face to face with interested prospects.

The 1932 experience shows that the ratio of calls to interviews to sales is greatly improved when agents go in behind the lead service. Present day selling demands the concentration on interested prospects, able to buy, developed by this Fidelity service.

Send for booklet

"The Company Back of the Contract"

**The FIDELITY MUTUAL LIFE  
INSURANCE COMPANY  
PHILADELPHIA**  
WALTER LEMAR TALBOT, President

## Investments and Income Analyzed by H. P. Dunham

Benefits from life insurance the last three years far outmeasure any other single source of relief, declared Commissioner H. P. Dunham of Connecticut in a talk at the annual Wharton Alumni Institute of Business in Philadelphia. Life companies have paid \$6,175,000,000 to policyholders and beneficiaries in the last three years, while the Reconstruction Finance Corporation has not yet reached the \$2,000,000,000 mark in loans.

Only in a few isolated cases, said Mr. Dunham, has it been necessary for companies to liquidate securities in order to obtain this huge amount of cash. Cash premium income for three years totaled \$7,500,000,000, while \$2,195,000,000 has been earned on investments. The cash receipts were over \$3,600,000,000 in excess of disbursements to policyholders and beneficiaries in the three depression years.

### No Greater Care Exercised

"The excellent condition in which practically all the life insurance companies find themselves today, despite the widespread economic upheaval," said Mr. Dunham, "is warrant for the statement that no greater care is exercised in the investment of trust funds anywhere than the care with which the resources of life insurance companies are invested for the benefit of their policyholders."

Mr. Dunham pointed out the well known traditions that govern life insurance company investments and account for their great stability. The investments of 1929 and 1932 of life companies licensed in Connecticut were compared by Mr. Dunham, there being no marked change except in the smaller classifications, such as policy loans, real estate and cash. Mortgage loans have decreased from 41 to 35 percent of the total assets since 1929, due in a large part to foreclosures and amortizations of payments. Since 1924 city mortgages have been gaining in popularity among life companies and at the end of 1932 they accounted for three-fourths of the funds invested in mortgages. Real estate held by the companies has nearly doubled in the last three years, but even now it only represents 3.6 percent of the total assets. Although the investment in bonds and stocks has remained practically constant throughout the depression, certain changes have taken place within this broad classification. Railroad bonds and stocks have declined in proportion to the total assets and public

utility bonds and stocks have increased, although both these tendencies were inaugurated before the depression commenced. The obligations of the United States government represent a larger proportion of the assets now than in 1929.

### Policy Loans Increase

Policy loans have increased from 13 1/4 percent of the total assets to 18 1/4 percent, the total policy loans of companies reporting in Connecticut increasing from \$2,006,000,000 in 1929 to \$3,271,000,000 in 1932, or 63 percent. Due to the demand for liquidity, the cash has increased from .6 percent to 1.5 percent of the total assets, or \$180,000,000.

Income from life company investments was also analyzed by Mr. Dunham. The mortgage loan yield decreased from 5.41 percent in 1929 to 5.08 percent in 1932, full credit being allowed for overdue interest carried as an asset. Due to the moratoria on farm loans this year, the decrease will undoubtedly be greater.

Due and accrued interest on mortgages as carried in non-ledger assets by five typical companies, which Mr. Dunham analyzed, increased from 2.1 percent of such interest received in 1929 to 11.3 percent in 1932.

### Real Estate Yield Drops

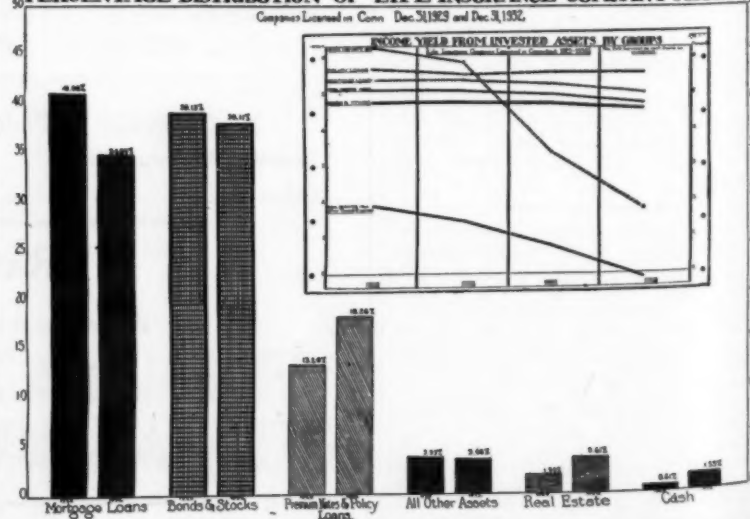
The income yield from real estate is closely related to mortgage loans, as a large portion of real estate represents property acquired through foreclosures. The yield of 1.9 percent in 1929 on real estate decreased to a slight loss in 1932 of .11 percent.

There is always a lag between the time when a company acquires property and when it can be rehabilitated and rented, and it is expected that the yield from real estate property will be nearer a normal figure as general business conditions improve.

### Bond Income Stable

The income from bonds and stocks has shown a remarkable degree of stability, said Mr. Dunham. "Expressed as yield on the funds invested in bonds and stocks measured by the amortized value of bonds and the convention values of stocks, there has actually been only a slight decrease between 1929 and 1932, interest on bonds and dividends on stocks equalling 4.63 percent of the aver-

### PERCENTAGE DISTRIBUTION OF LIFE INSURANCE COMPANY ASSETS



Commissioner Dunham of Connecticut has analyzed the investments and their yield held by life insurance companies licensed in Connecticut, making a comparison of 1929 and 1932 figures. The results are incorporated in the above charts.



age funds invested therein during 1932, compared with 4.77 percent during 1929. No doubt if the companies find it necessary to invest a larger portion of funds in short-term securities or in highly liquid government obligations, some sacrifice of income must result."

The yield from premium notes and policy loans likewise shows no variation, being 5.62 percent in 1932, compared with 5.73 percent in 1929. These assets represent an offset to reserve and are the safest of all assets.

The life companies' income from cash funds at interest and from other debts due the companies has decreased from 6.30 percent during 1929 to 1.83 percent in 1932, banks having reduced interest on deposits.

The yield from interest, dividends and rents received has been reduced from 5.13 percent to 4.77 percent. "This decrease in yield," said Mr. Dunham, "has in no way impaired the reserves of the policyholders, since the total reserves are based upon interest at the rate of 3 percent and 3 1/2 percent although, for the time being, it may result in somewhat lower levels of profits to the companies, and, consequently, lower dividends to policyholders."

#### Amortization Sound

Amortization of life company investments is declared a sound practice by Commissioner Dunham, as the companies are not subject to forced liquidation of large blocks of securities. For this reason it is difficult to measure the losses in principal, due to the decline in market securities, except for reductions in book values as the companies have deemed advisable.

In 1929 companies reporting in Connecticut showed a \$1,700,000 profit in book values, while in 1932, a \$49,000,000 loss was reported, only .3 percent of the total assets.

The importance of life company investments in the conduct of general business was pointed out by Mr. Dunham. At the end of 1931, the life companies owned 24 percent of the total outstanding railroad bonds, 10 percent of public utility bonds, 4 percent of municipal bonds and nearly 3 percent of the funded debt of the United States government. Mr. Dunham is optimistic regarding the companies' railroad holdings, saying that with the present progress being made toward a solution of railroad problems, there will not be any permanent substantial decrease in income from railroad investments.

Public utilities have maintained a strong position and the ones that have fallen by the wayside have been the over-capitalized holding companies. Life insurance investments have been confined almost entirely to the strong operating units which have not been affected.

#### To Enter Life Field

The Physicians Protective Casualty of Indianapolis, a company writing accident and health, is now entering the life insurance field. The company will issue a line of "pure protection" policies. Its life business at present will be confined to Indiana and Missouri.

One of the policies will be a combination life and accident and health contract. The policy will provide for monthly indemnity for accident and health in amounts ranging from \$25 to \$20. The life benefits will be from \$500 to \$5,000.

A family guardian policy, a straight life contract insuring the whole family, will also be issued.

#### Loans for New Insurance

One of the features of the moratorium has been the action on part of some companies to permit their agents to allow their policyholders to use the money they can borrow on their old policies to purchase new insurance in the company. This involves no outlay of cash but, of course it does mortgage the old policy and the policyholder is obliged to pay interest.

## Juvenile Policy Market Good

NEW YORK, April 20.—In spite of the prevailing economic conditions, the Buffalo Mutual Life is finding a ready market for its juvenile policies, according to John McKay, district manager. Agents and brokers have found it can be used most effectively in the educational approach, as the cash value by the time the child is ready to go to college will be enough to help materially defray expenses. There is, of course, the usual insurance coverage in case the child should die and in case he does not need the cash value for educational purposes he can continue to carry the policy at a very low premium rate. The "payor benefit" provides that the company will pay the premium up to the child's 20th year in case the parent or guardian who is paying the premium should die.

#### Parent Will Take Out Additional Coverage

In many cases where a parent feels he has "all the insurance he can carry" on his own life, he will take one of these policies on the life of his son or daughter to provide money for college expenses when he would refuse to add

to his own life insurance for this same purpose. Ordinary life, 20-payment life or endowment forms are sold, the latter having the advantage of higher cash values to provide larger cash values when they are needed for college expenses.

#### Uses Small Coin Banks to Facilitate Premium Payments

From the agent's point of view a valuable feature of these policies is that they furnish an excellent entering wedge for the writing of business on other members of the child's family. One agent recently wrote nine policies in one evening, four juvenile and five adult. While they were for relatively small amounts individually, yet they totaled \$9,000 and will undoubtedly lead to more business in the future.

To facilitate premium payments and make them less burdensome to the premium payer, the company makes use of small coin banks. Deposits in this bank may be made weekly or monthly, making the policies available to many who would find it difficult to pay out a whole quarterly, semi-annual or annual premium at one time. The agent keeps the

key, reducing the temptation to borrow from the bank.

The company writes a number of other policy forms, including 10 or 20 year modified life for adults, but is stressing the juvenile policy at this time because of the comparatively small sales resistance.

## Theories of Life Insurance Are Being Revised Today

A life insurance executive, commenting on recent developments, said:

"The theory that a life insurance company is chartered to do an insurance and not a banking business and that the principles of the two are different is being established. Life insurance companies are not in business primarily or fundamentally for the purpose of paying out money before the maturity of the contract and the full reserve cash value to all is a violation of the insurance principle even if it is stated in the contract. The theory of surrender values is merely to protect the occasional man from injustice when he is forced to surrender his policy and not that the cash principle shall be extended to the point where companies are virtually nothing but savings banks and subject to withdrawals at any moment."



# Great Salesmen of History



ABRAHAM LINCOLN

It has been written: "When God wants to educate a man He does not send him to school to the Graces but to the Necessities. Through the pit and the dungeon Joseph came to a throne."

Born in obscurity, brought up in poverty, Abraham Lincoln became one of the world's greatest heroes.

As an awkward, ungainly boy, sprawled before the fireplace, poring over borrowed books, he said: "I will study and get ready. Then maybe my chance will come."

Forty years later, the Great Emancipator was President of the United States.

The life of Lincoln is most inspiring. It is the story of a boy with the minimum of opportunity rising above adversity to the sublimest heights—a classical example of worth-while accomplishment. No life in history is more endeared to all mankind.

"A bronzed, lank man! His suit of ancient black  
A famous high top-hat and plain worn shawl  
Make him the quaint great figure that men love  
The prairie-lawyer, master of us all."



# ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA

S. A. APPLE, President

## Example of Public Reaction

The various disturbances that have occurred in the insurance field, whether fire, life or casualty, are causing the public to question closely insurance operations. Disaster to one company causes apprehension on the part of the public not only about the welfare of other companies of that class, but about companies of all classes. Agents must answer inquiries of all sorts and are on

the defensive a good deal of the time.

The following letter, which was received by a casualty company in answer to a personal accident renewal notice, together with notice of increased premium, probably reflects public sentiment rather accurately:

"I have no objections to paying the increased premium but in this day and age I should like to have some further

assurance that your company is solvent and will be in a position to carry out and complete its contract. You know the banks and the insurance companies in the past have been held in awe to some extent by the poor policyholders but that time has passed. With the big life insurance companies failing to carry out the provisions of their contracts insofar as loaning money, paying death benefits, etc., all of which you know about, it seems to me as a business proposition your client should have some reasonable assurance that when he buys a policy, if anything should

happen the company is going to fulfill all of the provisions of that policy, so before I send my check for the \$32 premium I shall have to insist there be something more than just a mere statement as to why the necessity for the increase.

"I received another bill today and while the policy was dated on the third, this bill was dated the eighth and I do not see why I should be rushed into making payment on something when the usual 30 days of grace prevails in most cases. Or perhaps I may not have had any idea of taking this time, but it looks like I am being rushed into something and I do not care to feel that way about it. You know I do not have to buy insurance and all this matter should have been explained to me so that I would have had something to say about it prior to the time it fell due. I think there is an explanation of these matters due me under existing circumstances.

"Incidentally, I would like to know whether the president's salary, as well as other officials of this company, have been reduced. I do not care to have my premium increased to take care of great big salaries. I thought I would ask this because you might wonder about some of the things I have in mind in asking the above explanation. This is one and if you want further reasons I will be very glad to give them to you."



**\$2,850.00**

in approved assets for each

**\$1,000.00**

of Policy Reserve liability

**THE** Great American Life of Texas has a financial structure equaled by few young institutions in the country. No bank or governmental loans are outstanding and no real estate is owned.

Inquire about our liberal agency contract and modern line of up-to-date policies. Territory available to conscientious agents in Texas, Colorado, Louisiana, Idaho, Arizona and North Dakota.

## THE GREAT AMERICAN LIFE INSURANCE CO.

Chas. E. Becker, President

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"Where the sunshine spends the winter"

BEHIND THE LINCOLN NATIONAL LIFE AGENT

A GREAT INSTITUTION!

LINCOLN NATIONAL LIFE BUILDING - - - FORT WAYNE, INDIANA

### Finds Regulation by States Strength of Life Insurance

One of the strongest arguments against the public's objections to the policy loan moratoria is that regulation of life insurance during the last 25 years has made it the strong factor in social welfare that it is, P. B. Hobbs, agency manager Equitable of New York in Chicago, stated in a talk before the company's agents there. He pointed out that the Armstrong investigation in New York and the resulting laws, while they caused much dismay among life men and temporarily discredited all life insurance in the eyes of many persons, were a vital factor in making the institution safe.

It is imperative that life insurance be viewed in relation to the whole national economy.

The most powerful argument for such restrictions, he stated, is that the federal administration's two most vital proposals as to farms and foreign policies, are yet undetermined, and no one knows what the reaction may be.

He said that, due to the nature of the business, it could not be acted on nationally by governmental authority, otherwise, undoubtedly the President would have restricted policies at the time he closed banks.

Old age, unemployment and pension insurance legislation may be expected. Rather than a threat to life insurance, he saw these proposals as promising increased public consciousness of the insurance principle.

### Canadian Life Figures

Canadian Life insurance paid for during 1932 totaled \$654,455,000, a decrease of 16.4 percent from the corresponding figure for 1931, the dominion department reports. Ordinary amounted to \$485,450,000, industrial \$152,415,000 and group \$16,590,000. Business in force in Canada at the end of 1932 totaled \$6,471,688,000, a decline of 2 percent from the 1931 figure. Canadian companies carried \$4,311,848,000 of the total in force, and British and United States companies carried \$2,159,840,000.

### Maintains Louisville Office

LOUISVILLE, April 20.—Commissioner G. B. Senn of Kentucky has announced that hereafter he will spend one day each week in Louisville, planning to come down from Frankfort every Tuesday, in order to contact Louisville insurance men. The commissioner has a branch office in the Kentucky Home Life building.



## But the Old Coats Are Still as Warm as Ever



### Par-for-Parkinson Drive Waged by Equitable Men

The Central Managers Association of the Equitable of New York, headed by P. B. Hobbs, agency manager in Chicago, is conducting the second annual "Par for Parkinson" campaign in April in honor of President T. I. Parkinson. The president will go to Chicago to speak at a dinner May 11, which will wind up the drive. There will be at the dinner presentation of honor presidential delegate awards.

A feature of this annual campaign is selection of so-called "par excellence" agents and unit managers. Bronze honor medals have been struck off, to be given agents qualifying by writing at least five completed lives. There will be district awards for 100 percent participation by agents in units, with gold bronze medals for the unit managers, and the honor presidential delegates will be given silver medals. The outstanding agent in the association and outstanding unit manager will be special guests at the dinner and also will be presented silver medals.

### Argue Constitutionality of Nebraska Debt Moratorium

LINCOLN, NEB., April 20.—The Nebraska supreme court has given attorneys interested in applications made by land owners for the application to their cases of the mortgage moratorium until May 26 to file printed arguments as to the constitutionality of the act. Doubt was expressed by the attorneys in the preliminary argument whether the moratorium applies to cases where there has been a confirmation of the sale, as was true in the two cases before the court.

Both sides agreed that the law impairs the obligations of contracts, but attorneys for the land owners held that it was a valid exercise of the police power of the state, which permits such impairment and suspends all constitutional provisions. Opposing attorneys argued that the police power can be exercised only for the benefit of the

### Status of Old Colony Life Matured Endowment Holder

A subscriber writes THE NATIONAL UNDERWRITER stating that he has a client who had a 20-year endowment policy in the Old Colony Life of Chicago, which went into the hands of a receiver Sept. 20, 1932. The endowment matured Sept. 11. He asks whether this client's claim is a prior one.

The Life & Casualty of Chicago merely took over the going policyholders of the Old Colony Life. No assets were assumed. Therefore the only obligation that the Life & Casualty has is to pay death claims on policyholders who continue their premiums. There is 100 percent lien placed on every policy. The assets are trusted and are being worked out by the receiver under jurisdiction of the court. In the opinion of this publication, the final distribution of the assets will not amount to much. The policyholder whose endowment matured will come in as a general creditor and has no prior claim. There is not much chance of his getting anything substantial.

### Indiana Tax Bill Passed

Aside from the insurance department reorganization and life moratorium measures, the only bill of especial importance to life insurance passed by the Indiana legislature was that excluding from the general intangibles tax intangibles held by insurance companies as part of their investments, and exempting also life insurance policies. The bill providing that life policies be taxed as personal property was defeated.

people as a whole, while this law is for the benefit of a class; that it was also class legislation because the benefits extend to owners of mortgaged real estate only; that it destroys land values and credits, and that with 10,000 foreclosures pending, the end of the moratorium will bring a condition that will injure the public welfare.

"Business Life Insurance," by Ralph Sanborn. Discusses the various phases of this class of protection, \$3. The National Underwriter.



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is a mutual or-  
ganization. It  
has no stock and  
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benefit of its  
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METROPOLITAN LIFE  
INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT ONE MADISON AVE., NEW YORK, N. Y.



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## Financial Independence Week

We are at the end of Financial Independence Week. Arrangements were made for this special period last fall, long before the life insurance moratorium was even dreamed of. At that time the situation confronting life insurance during the last few weeks would have been unthinkable. The ASSOCIATION OF LIFE AGENCY OFFICERS concluded to concentrate its efforts on a week of life insurance rather than to devote much energy to a single day in Thrift Week, which comes in January. Therefore when the life insurance moratorium was confronting the business there were many conjectures as to what would be the effect on Financial Independence Week. The sponsors of this movement were not dismayed and unfolded their plans ingeniously and enthusiastically.

Why should not life insurance be emphasized at this time when there are still restrictions regarding surrender and loan values? As an institution it has stood up with far better grace and has given a much better account of itself than any other major enterprise. The moratorium has served to bring out the fundamentals of life insurance and to emphasize its basic values. It is bringing us to see life insurance in its more pristine virtues. We have been swept off our moorings, in a sense, in life insurance work. We have followed strange gods. We have not recognized the real functions of life insurance. We have been impressed with its investment and

banking proclivities. We have stressed the fact that a life insurance company is a huge reservoir of funds and from this reservoir we can draw out our equities on demand at any time. Agents therefore emphasized the banking end of the business and got people's minds off of the fundamentals. Even during the strictest days of the moratorium a company paid all its protection claims. Not a day was lost in meeting death claims, disability claims, annuities, double indemnity claims, instalment claims, interest on proceeds left with companies. Now the moratorium has been modified so that the real social needs of mankind are met. The exceptions made by the insurance commissioners cover a wide enough range to suit the most punctilious.

Even though some people may be discommoded because they cannot get all their money out of their life insurance, yet intelligent, fair-minded folks appreciate the great value that the institution has been during all the dark days since October, 1929, and realize that had it not been for life insurance there would have been greater chaos and suffering.

Therefore it is most appropriate that agents stress this week the fundamental and basic functions of life insurance and call to the minds of the people the true value of family protection. Life insurance has a sufficient scope in which to develop without penetrating so far into the banking field.

## Demand for Retirement Policies

THE demand for investment and retirement policies of various kinds is illustrated in the number of new policies announced since the first of this year by a number of companies. Many companies did not have in their kits attractive annuity forms or retirement contracts. In fact, in some offices it has meant getting up an entirely new set of contracts. It might have been felt that all companies had completed the devising of new forms last year but the 1932 vintage is still being introduced. Some of the large companies are putting out new retirement forms.

Of the plans announced most provide for

an old age income. Some are straight accumulation contracts. The trend of the times is therefore reflected in this activity. The line of least resistance is probably found at both ends of the line. First, people that have money desire safety beyond everything else and are seeking investment or retirement forms. Others wishing to get as much protection as possible and not being able to pay for higher priced insurance are attracted to the cheaper policies.

"A man willing to take a little job will soon be big enough to fill the bigger job."

## PERSONAL SIDE OF BUSINESS

Mrs. Tarleton Brown, wife of the publisher and editor of the "Insurance Review" of St. Louis, died suddenly early Thursday morning of last week. The funeral was held at Nashville, Tenn., Friday morning.

A. C. Tait, 48, supervisor of the Johnston & Clark general agency of the Mutual Benefit Life in Detroit, died there following a brief illness.

A. G. Howell, assistant registrar of the Sun Life of Canada, has retired after 51 years of service with the company. He was head of the non-forfeiture department from 1890 to a year ago, when he was made assistant registrar.

A son, Peter Welham Brickell Trueblood, was born to Mr. and Mrs. Mark S. Trueblood. Mr. Trueblood is the Los Angeles manager of the Union Central Life.

E. Parker Waggoner, first vice-president and superintendent of agents of the Buffalo Mutual Life, sailed last week on the S. S. Coamo for Puerto Rico and other points in the West Indies. He will return some time after May 1.

John Nelson, supervisor of public relations of the Sun Life of Montreal, who is a candidate for the presidency of Rotary International at the annual convention in June, addressed the Detroit Rotary Club last week.

Mrs. Frank M. Peters, wife of the president of the Federal Union Life of Cincinnati, died at her home there last week. She was prominent in Cincinnati musical circles and civic affairs.

John G. McQuarrie, Utah insurance commissioner for the past eight years, has rejoined the Salt Lake City office of the Kansas City Life, of which he was assistant manager at the time of his appointment as commissioner.

Roy H. Sheldon, Los Angeles general agent for the Equitable Life of Iowa, is receiving congratulations on the birth of a daughter, who has been christened Patricia Arlene.

L. H. Stohr, retiring agency director of the New York Life at Salt Lake City, was honored at a farewell banquet, with more than 50 officials and agents of the branch in attendance. He had been with the company since 1893. Sterling W. Sill succeeds Mr. Stohr.

Commissioner Senff of Kentucky is the third Kentucky commissioner to come from Mt. Sterling, Ky. The others were Matt C. Clay and H. R. Prewitt.

George M. Spiegel, well known in life insurance circles in Indiana for many years, has been appointed superintendent of the supply department of the Indiana insurance department. Mr. Spiegel has represented the Indianapolis Life and Pacific Mutual Life.

Warren M. Horner, who prior to the death of F. E. McMullen, general agent of the Massachusetts Mutual Life at Los Angeles, was in charge of sales promotion in that agency, has taken a similar position with the New England Mutual in southern California in the general agency of Hays, Hudson & Bradstreet. Mr. Horner had his initial experience with the New England Mutual in 1893 at Minneapolis. In the succeeding 24 years he was agent, district agent and general agent for the Provident Mutual, gaining a national reputation as an organizer and personal producer of business life insurance. He acted as chairman of the education and conservation committee of the National Life Under-

writers Association for three years. This committee was created by his resolution at the annual convention in Memphis in 1912.

Dr. J. W. Graybill of Newton, former lieutenant governor of Kansas, was re-elected for the 23rd time grand master of the Ancient Order of United Workmen of Kansas at the grand lodge meeting in Newton. Five states were represented, New Mexico, Colorado, Arkansas, Arizona and Kansas.

E. A. Williams was recently appointed general agent of the Minnesota Mutual at Sioux Falls, S. D. He has temporarily been working with Edson Washburn at Crookston, Minn., but has now gone to Sioux Falls and Mr. Washburn has accompanied him there and will spend some time with him.

William H. Masterson, New Jersey general agent Equitable Life of New York with headquarters in Newark, celebrated his 23rd anniversary of service with a dinner last week, where he was host to 20 members of his agency. The principal speaker was Harold C. Noling, superintendent of agencies.

A. F. Smith, agency manager of the Bankers Life of Iowa at San Francisco, will complete 20 years of service May 1. Plans are under way for an appropriate observance of the event.

R. M. Green, who went with the Prudential some time ago as assistant secretary, following his resignation as treasurer of the Union Central Life, has been transferred to the treasury department and is made assistant treasurer of the Prudential.

## Rounds Up Millionaires for Chicago Conference



M. J. DONNELLY

M. J. Donnelly of Newcastle, Pa., who is chairman of the Million Dollar Round Table of the National Association of Life Underwriters, announces that the conference of his organization will be held Sept. 27 at the Hotel Stevens in Chicago during the annual convention of the National association. Those eligible are agents who paid for \$1,000,000 of life insurance in 1932 in all companies, or in their own companies in the club year, and agents who pay for a million dollars in 1933 prior to September 1. Those who are qualifying this year are requested to communicate with Mr. Donnelly at 30 North Mercer street, Newcastle, Pa.



## NEWS OF THE COMPANIES

### Three Months Showing Made

**Northwestern Mutual Life Gives Figures as to Its Standing as of March 31**

The Northwestern Mutual Life has issued its statement for the first three months as of March 31, showing assets \$1,010,166,000, increase \$19,715,000 over March 31 a year ago. The new business amounted to \$46,630,000 or 11,689 policies. The insurance in force was \$3,954,665,000. The total income for the three months was over \$43,000,000 and the premium income \$24,638,000. It paid dividends to policyholders \$9,661,000 and death claims \$11,918,000. Total paid policyholders and beneficiaries amounted to \$34,942,000. Investments as of March 31 showed mortgage loans \$390,145,000, United States government and other bonds \$298,538,000 and policy loans \$237,650,000. A 10 percent salary reduction was announced. The salary of M. J. Cleary will now be \$36,000. The late President Van Dyke was paid \$60,000.

### American Bankers Quitting Weekly Accident and Health

The American Bankers is retiring from the weekly premium health and accident field and has instructed its industrial managers to discontinue writing new industrial health and accident business and taking renewals on it, effective April 10. The company has found this class of business unprofitable, due, it is understood, to the fact that its debits were so widely scattered. Its weekly accident and health premiums in 1931 totaled about \$380,000.

The company announced that it has not disposed of its monthly premium and commercial health and accident business and that it is continuing the writing of industrial and ordinary life as usual. More than 65 percent of its industrial business is now industrial life.

### Protective Life Shows Increase

New paid business of the Protective Life of Birmingham the first three months of 1933 shows an increase of 24 per cent over the same period of 1932. Application for policy loans and surrenders have been less.

The company is entering Arkansas and has established a branch office at Pine Bluff with J. T. Dearing as manager. New branches have also recently been established at Fort Worth, Tex.; Greenville, N. C.; Jacksonville, Fla.; Shreveport, Memphis and Nashville.

### Dividend Is Declared

Directors of the Pacific Mutual Life have adopted a resolution calling for the continuance of regular dividend declarations to stockholders, with payments to be made whenever the restrictions on dividend payments are lifted.

Taking the position that the California commissioner's ruling on dividends does not restrict the declaration of dividends as distinguished from payment, the Pacific Mutual stated it is in position to continue regular payments. The declarations at the regular rate will be made at the regular times during the moratorium or any extensions, but actual payment to stockholders will be withheld until permission is given by the state.

The Pacific Mutual's next quarterly dividend of 50 cents a share is payable July 1.

The National Auld Life of Springfield, Ill., has made a deposit under the provisions of the 1869 life insurance act and is in process of organization. It is being promoted by A. C. Littlejohn.

### Statement of Montana Life

**Its Annual Figures Show the Company to Be in Good Financial Condition**

The annual statement of the Montana Life of Helena, Mont., shows the company in a very favorable financial condition. In addition to its policyholders' surplus of \$1,500,000, it has set up a contingency reserve of \$304,038. Of its assets \$12,183,405, 50 percent is in U. S. treasury certificates, cash, state, county, municipal, public utility, railroad and industrial bonds. Less than 12 percent is in mortgage loans and only 3.5 percent in real estate. Of this 1.5 percent represents the home office building, 1 percent acquired through foreclosure and the rest acquired through foreclosure and sold under satisfactory contracts.

The Montana Life has reported a steady increase in the ratio of assets to liabilities during the last three years. It increased from 114.89 percent at the close of 1930 to 116.51 percent in 1931 and again to 117.38 at the end of December last year. It has \$45,889,717 insurance in force. The guiding star in this company is H. R. Cunningham, president, former Montana insurance commissioner and former president of the American Life Convention.

### Forming Investors Life

The Investors Life is being formed in Chicago, M. E. Daniels being prominent in the promotion. The headquarters are at 4746 North Damen avenue. The company has not yet started to operate, but it is said a guaranty fund has been raised and Mr. Daniels now is busy securing the initial 250 members required under the 1927 assessment law. It is planned for the company to issue primarily a ten-year endowment policy, in line with its title, appealing to persons having money to invest. Mr. Daniels formerly was connected with the Sheridan Life of Evanston, Ill., which was reinsured in the Cosmopolitan Life of Chicago July 28, 1931.

### H. R. Pierce Is Advanced

H. R. Pierce has been elected associate secretary of the National Life of Vermont. At the same meeting President E. M. Hopkins of Dartmouth College was elected a director. Mr. Pierce graduated from the University of Vermont and then attended law school at George Washington University. He became secretary to Senator Dillingham of Vermont, but on return from the war he went with the National Life and afterwards was made assistant secretary.

### Brucker American Life Official

An increase in the authorized capital of the American Life of Detroit was unanimously approved at a stockholders' meeting. Former Governor W. M. Brucker was elected a director and later was named vice-president and counsel. Other officers were reelected.

### Set Record Despite "Holiday"

In March, "president's month" for the Equitable Life of Iowa, new business totaled \$5,067,925, or the largest month since September, 1932, despite the bank holiday. Two near record days were March 24 and March 31, with \$1,700,000 and \$1,546,000, respectively.

### W. A. Blair Made Vice-president

Assistant Secretary W. A. Blair of the Amicable Life of Waco, Tex., has been made vice-president as well as assistant secretary. He has been connected with the company for 18 years. In 1919 he was appointed deputy insurance com-



*Dear Fred:*

I DON'T PRETEND to be a prophet, but it does look to me like the "new deal" is hitting on all six. And I certainly hope it continues.

As a matter of fact, Fred, I consider myself somewhat of an authority on "new deals". Union Central had one of its own about a year ago, only it was in the form of a new plan called "Merchandised Selling".

And seriously, our new deal had several things in common with the government's new deal. We faced abnormal conditions brought about by three years of depression. Those conditions could not be met with ordinary and out-moded methods. So the only thing to do was to create a new method designed especially to meet things as they are today.

Union Central executives—field men themselves—did just that, and today most of our men look back on the announcement of the Merchandised Selling Plan as the beginning of a new era in their business careers.

That, Fred, is the history of Union Central's new deal. And as a beneficiary of that sound, common-sense planning, I'm here to say that if the government's new deal does as much for John H. Citizen as our new deal has done for me—things will be looking up from now on.

YOUR OLD ROOMMATE,

*Sam*



THE UNION CENTRAL

LIFE INSURANCE COMPANY

>> CINCINNATI <<

# Interesting Facts

from the

## JEFFERSON STANDARD'S

Annual Statement January 1, 1933

NEW INSURANCE ISSUED (PAID-FOR BASIS) .....	\$ 36,440,100
INSURANCE IN FORCE .....	328,270,890
PAYMENTS TO LIVING POLICYHOLDERS IN 1932 .....	6,387,683
PAYMENTS TO BENEFICIARIES IN 1932 ..	2,852,580
TOTAL PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES .....	9,240,263
TOTAL PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES SINCE ORGANIZATION .....	65,103,520
RATIO OF ACTUAL TO EXPECTED MORTALITY .....	59%
INTEREST EARNED ON TOTAL INVESTED ASSETS .....	5.5%
ACTUAL INTEREST COLLECTIONS ON MORTGAGE LOANS IN 1932 AVERAGE ..	6%
INTEREST PAID ON FUNDS HELD IN TRUST .....	5%

## JEFFERSON STANDARD LIFE INSURANCE COMPANY

Greensboro, North Carolina

JULIAN PRICE  
PRESIDENT

A. R. PERKINS  
AGENCY MANAGER

# SATISFACTION

An agent must be fully satisfied that his Company is on the right basis and that it has policies to offer which will appeal.

The "Buffalo Mutual" meets these requirements in a clear cut way.

If you are interested in building a future in New York or Ohio, let us show you our agency contracts.

George W. Curtis,  
President

E. Parker Waggoner,  
First Vice Pres. & Supt. of Agents

## BUFFALO MUTUAL LIFE INSURANCE COMPANY

Organized 1872

Buffalo, N. Y.

missioner of Georgia but returned to the Amicable Life a year later.

### Seaboard Life Promotions

Milton Underwood, acting agency director of the Seaboard Life of Houston, Tex., has been made agency director. R. L. McElhannon was elected assistant secretary.

### To Have New Home Office

The American Life & Accident of St. Louis has purchased a 32-room residence at 3805 Lindell boulevard in that city and will remodel it for use as a home office. The building is only a short distance from the home office of the Central States Life.

### President Berge Resigns

T. O. Berge, president of the North American Life & Casualty of Minne-

apolis, has resigned. B. H. Odell is acting president.

### McCurdy Field Superintendent

M. E. McCurdy, for years with the Kentucky Central Life & Accident at Paris, Ky., has been promoted to field superintendent for a large part of central Kentucky, with office in Louisville.

### Life Company Notes

The Guarantee Mutual Life of Omaha has been licensed in Ohio. I. D. Wallington of Cleveland is eastern division manager.

The Lincoln National Life, which is licensed in Illinois to write life insurance, has been licensed also to write accident and health.

The American National of Galveston has ceased writing accident and health insurance in Illinois and is confining all its activities to life insurance.

## LIFE AGENCY CHANGES

### State Mutual Appointments

Important Announcement Made as to  
W. H. Jackson at Cleveland and  
G. E. Keithley at Peoria

W. H. Jackson has been appointed associate general agent of the State Mutual at Cleveland. E. Miller France will continue as general agent but a number of responsibilities will be delegated to Mr. Jackson. Mr. Jackson became associated with the State Mutual in June, 1919, as a full-time agent. He was at that time an experienced life man, having been both personal producer and general agent. He has led the State Mutual honor roll on a number of occasions.

Mr. France has long been prominent in Cleveland. He became associated with the State Mutual in September, 1905, and since then has continuously served as general agent.

The State Mutual opens a new office at Peoria, Ill., appointing G. E. Keithley as general agent. He graduated from the law school at the University of Illinois in 1912. He practiced law in Peoria. In 1919 he became associated with the Massachusetts Mutual. In 1926 he went to Boston, taking up work in the educational department of the John Hancock Mutual. During his law studies, Mr. Keithley coached the freshman varsity football team at the University of Illinois.

### Kelly Is St. Louis Manager for Continental Assurance

John L. Kelly has been appointed manager of the St. Louis branch of the Continental Assurance and Continental Casualty at 1103 Boatmen's Bank building.

Mr. Kelly has been manager of the St. Louis office of the Continental Life of St. Louis. He has been succeeded in that position by J. B. Shinn.

Mr. Kelly, a native of St. Louis, is 37 years old and started his life insurance career in 1923, in the administration department of the home office of the Missouri State Life. After handling group insurance work for the Missouri State in Pittsburgh and Gary, Ind., he went to Detroit as agency special and later was made assistant manager. In 1929 he joined Continental Life.

### S. B. Parker

S. B. Parker of Tecumseh, Neb., has been appointed general agent of the Bankers Life of Nebraska with headquarters at Hastings. This office was formerly in charge of Frank Kohl, who desires to give all his time to personal production. Mr. Parker was in the banking business for 20 years and has been an agent of the Bankers Life since 1917.

He started to write on a full-time basis in February, 1931.

### H. V. Kreger

H. V. Kreger, former supervisor of agents in the Milwaukee office of the New England Mutual Life, has been named manager at Evansville, Ind., and will open new offices May 13 in the Old National Bank Building. For about 50 years the New England Mutual has been represented by the Weil Insurance Agency in Evansville.

### Norman E. Gatch

Norman E. Gatch has been appointed general agent of the Sun Life of Canada at Evansville, Ind., with offices in the Old National Bank building.

### Charles H. Manning

Charles H. Manning has been appointed general agent of the Provident Life & Accident's life department in San Francisco, with offices in the Monadnock building. He was formerly with the Jefferson Standard Life and North American Life and has been a big producer for a number of years.

### S. S. Cohen

The Continental Life of Missouri has appointed S. S. Cohen general agent at Baltimore, succeeding the late G. C. Lilly. Offices are in the First National Bank building.

Mr. Cohen has been with the Lilly agency for seven years and has a good personal production record.

### F. C. McGaughey

F. C. McGaughey of Tupelo, Miss., has been appointed agency manager for the Fidelity Union Life of Dallas at San Antonio. He has been with the Mutual Life of New York and Standard Life at Tupelo.

### R. L. Hesse

The Lincoln National Life has appointed R. L. Hesse general agent at Madison, Wis., with offices at 119 Monona avenue. He was formerly with the Wisconsin Inspection Bureau, the General Agency Company at Madison, and other casualty and surety offices.

### George Overton

George Overton has been transferred from the Seattle office of the Northern Life to Portland as manager, succeeding F. H. Schroeder. Mr. Overton joined the Northern Life in 1920 and has had extensive agency experience.

### A. T. Lynner, John Nystul

A. T. Lynner, for three years mayor of Fargo, N. D., has moved to Minneapolis to take charge of the northwest



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agency of the Old Line Life of Mil-  
waukee.

The Lynner-Nystul Insurance Agency  
at Fargo, state agent for the Kansas  
City Life, will be operated by John  
Nystul, who has taken over all of Mr.  
Lynner's interests.

#### Jess Wilkens

Jess Wilkens has been appointed Se-  
attle manager of the Bankers Reserve  
Life of Omaha to succeed Frank Light-  
house, who died a month ago. He for-  
merly was with the Connecticut Mutual  
Life.

#### John McKee Gould, Jr.

John McKee Gould, Jr., of Eugene,  
Ore., agency organizer of the California-  
Western States Life, has gone to San  
Antonio as manager of the northern  
Texas agency, which has headquarters  
in the Western National building. Mrs.  
Gould is a sister of J. R. Phillips, man-  
ager of the southern Texas agency.

### Life Agency Notes

S. J. Donaldson, Jr., has been named  
general agent for the Midland Life at  
Austin, Tex.

Charles Novotny has been appointed  
district manager for the Franklin Life  
at Antigo, Wis.

W. J. Rochelle, chief deputy life insur-  
ance commissioner of Texas under the  
Tarver administration, has joined the  
Aetna Life at Austin, Tex.

B. P. Starnes has been appointed dis-  
trict manager at Sweetwater, Tex., for  
the Great American Life of San Antonio.  
He has been with the Southland Life  
there.

The Minnesota Mutual has made three  
general agency appointments on the Pa-  
cific Coast, they being G. E. Cooper of  
Ontario, Cal.; W. L. DeCamp of Ventura,  
Cal., and Glen Phelps of Portland, Ore.

The following Western & Southern  
Life offices have been consolidated: Au-  
rora with Joliet, Ill., Bloomington with  
Peoria, Alton with East St. Louis, Ill.,  
and Chicago Heights with Roseland-  
Chicago.

Leman Goldman, a leading producer  
of the Equitable Life of New York in  
Atlantic City, N. J., has been made unit  
manager at New Brunswick, N. J., su-  
pervising southern New Jersey. He suc-  
ceeds Errol Deemer, who will devote his  
entire time to personal production.

### C. L. U. Degree Is Only Degree Given: Huebner

The C. L. U. designation will be the  
only degree given by the American Col-  
lege of Life Underwriters, Dr. S. S.  
Huebner, dean, states in a letter to G.  
A. Brown of Chicago, past president of  
the National chapter of C. L. U. The  
statement was made to correct an im-  
pression current over the country that  
another degree might be expected to be  
offered persons passing the recently an-  
nounced managers' examinations. In-  
stead only a certificate of merit is of-  
fered.

Dr. Huebner says there is no competi-  
tion between the two lines of activity.  
The board of the American College, Dr.  
Huebner stated, "felt that the educa-  
tional work could be extended along  
wholesome lines; that agency manage-  
ment work is certainly important.

"From the beginning I took the posi-  
tion that there must be no competition  
to the C. L. U. degree. Moreover it  
is a very interesting fact that one C. L.  
U. after another is becoming a general  
agent or manager. For this reason I  
think that the agency management ex-  
aminations will serve a real purpose."

He said there has been a large num-  
ber of complimentary letters received  
regarding the new type of exams and  
only a very few criticisms.

R. P. Liggitt, Oskaloosa, Ia., district  
manager for the Prudential, and V. W.  
Huff, Oskaloosa agent, were injured in  
an automobile accident near Knoxville,  
Ia.

## CHICAGO NEWS

### GENERAL AGENT SHOULD SOLICIT

Now is the time for general agents,  
especially those with smaller agencies,  
to do considerable personal production,  
especially in order to ascertain public  
reaction, to frame effective answers and  
develop successful methods of presenta-  
tion, according to R. J. Wiese, general  
agent State Mutual in Chicago. Mr.  
Wiese has an agency only two or three  
years old which still demands most of  
his time in organization effort, but since  
Jan. 1 he has paid for \$170,000, including  
a single premium ordinary life for  
\$90,000, carrying \$45,000 premium, and  
has closed \$60,000 additional in joint  
work with agents and brokers. His  
agency has more than held its own dur-  
ing the last year due to intensive de-  
velopment of new organization. He is  
adding men steadily, selecting only those  
who can finance themselves, carry  
\$10,000 personal life insurance and within  
the 30-day training period can pay for  
at least three applications for not less  
than \$10,000. Mr. Wiese spends almost  
every week night canvassing insurance  
and agency prospects. His agency so far  
this year shows 25 percent increase in  
number of applications.

\*\*\*

### CUSHMAN JOINS THURMAN

E. B. Thurman, general agent of the  
New England Mutual in Chicago, has  
added to his staff S. A. Cushman, C. L.  
U., past president of the Chicago chap-  
ter C. L. U. and first vice-president of  
the Cornell university alumni associa-  
tion, who is slated to be president at  
the gathering of the alumni in Chicago  
during the Century of Progress exposi-  
tion. Mr. Cushman has had nine years'  
life insurance experience, starting in  
Buffalo, N. Y., with the Travelers,  
where he was field assistant and assist-  
ant manager. He went to Chicago early  
in 1927 as first assistant to the late  
Manager W. H. Kolb of the Travelers  
there and since that time has been con-  
nected with Moore, Case, Lyman &  
Hubbard and Marsh & McLennan. Mr.  
Cushman's connection with the New  
England Mutual is in a production ca-  
pacity.

\*\*\*

### LIQUIDATION ACT UPHELD

The insurance liquidation act of Illi-  
nois has been upheld by the appellate  
court in connection with a suit brought  
over the receivership of the Old Colony  
Life, the appellant being Thresa Stangel,  
a policyholder. Under this law, insolv-  
ent insurance companies of Illinois are  
liquidated by the official state liquidator.  
The attorney general files a petition for  
a receiver and the naming of that of-  
ficial is left with the director of trade  
and commerce. Attorney G. D. Kim-  
ball of Chicago acting for the Old Col-  
ony policyholders, attacked the con-  
stitutionality of the act. A plea was  
made to set aside the award of the busi-  
ness of the Old Colony Life to the  
Life & Casualty of Chicago. Attorney  
Kimball claimed that the Illinois Bank-  
ers Life bid was more desirable and  
should have been accepted. The receivers  
for the Old Colony Life are A. S.  
Keys of Springfield, who has been man-  
ager of the state liquidation department,  
and J. A. O. Preus of W. A. Alexander  
& Co. of Chicago. The appointment  
of Mr. Preus was made to satisfy  
counsel for the Old Colony Life, who  
objected to the liquidation of the com-  
pany by a non-resident. The appe-  
late court upholds the appointment of  
corceivers.

The appellate court seemingly ignored  
many of the points raised by Attorney  
Kimball as to the constitutionality of  
the law but gave its attention to the  
order of the court awarding the busi-  
ness to the Life & Casualty, claiming  
that it was the only real objection made  
by the appellant. The court declares  
that if the policyholder is not satisfied  
with the court order she is not obliged  
to accept the reinsurance offered but



## Comparative Financial Statement of the RELIANCE LIFE INSURANCE COMPANY OF PITTSBURGH - DECEMBER 31, 1932

INCOME	1932	1931
Premiums .....	\$15,150,717.87	\$15,968,541.08
Bond Interest .....	2,239,687.79	2,454,330.22
Interest on Mortgages .....	246,805.91	264,722.47
Interest on Policy Loans and other Items .....	1,142,195.32	967,523.75
Income from Real Estate .....	3,325.77	
	<u>\$18,782,732.66</u>	<u>\$19,655,117.52</u>
EXPENDITURES		
Death Claims, Cash Surrender Values and Divi- dends to Policyholders .....	\$11,815,040.55	\$ 9,775,297.93
Commissions, Agency Expenses, Taxes, Licenses, Traveling Expenses, Medical and Inspection Fees and Expenses of Conducting Accident and Health Department .....	2,826,919.20	3,544,579.22
Salaries, Rents, Advertising, Printing, Postage, Legal Expenses and Miscellaneous .....	769,851.98	800,632.01
Excess Income over Expenditures .....	<u>3,370,920.93</u>	<u>5,534,608.36</u>
	<u>\$18,782,732.66</u>	<u>\$19,655,117.52</u>
ASSETS		
Investment Bonds .....	\$46,885,820.82	\$46,012,453.26
Real Estate Mortgages .....	4,487,308.33	4,829,789.37
Real Estate .....	362,926.93	98,654.47
Cash in Banks and Offices .....	875,197.75	1,874,510.16
Policy Loans and Premium Lien Notes .....	22,443,225.02	18,041,729.78
Accrued Interest and Outstanding Premiums .....	<u>2,796,689.66</u>	<u>2,864,108.52</u>
	<u>\$77,851,168.52</u>	<u>\$74,521,245.56</u>
LIABILITIES		
Claims Pending, Premiums Paid in Advance and Commissions Due Agents .....	\$ 459,519.89	\$ 410,226.43
Accounts Payable and Unearned Interest .....	427,948.87	362,358.35
Amount Reserved for Taxes .....	342,000.00	332,000.00
Dividends to Policyholders at Interest .....	1,744,444.17	1,819,450.92
Apportioned for Future Dividends to Policyholders Reserves:—Life, Accident and Health .....	68,130,921.73	65,165,755.37
Contingency Reserve .....	1,420,000.00	1,291,000.00
Capital Stock .....	1,000,000.00	1,000,000.00
Surplus .....	<u>3,300,086.07</u>	<u>3,339,206.70</u>
	<u>\$77,851,168.52</u>	<u>\$74,521,245.56</u>

## RELIANCE LIFE INSURANCE COMPANY OF PITTSBURGH FARMERS BANK BUILDING. PITTSBURGH, PA.

## Strong Progressive

Are You Willing to WORK for a Company Which Is Willing to WORK with You?



## NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO.

E. S. ASHBROOK  
President

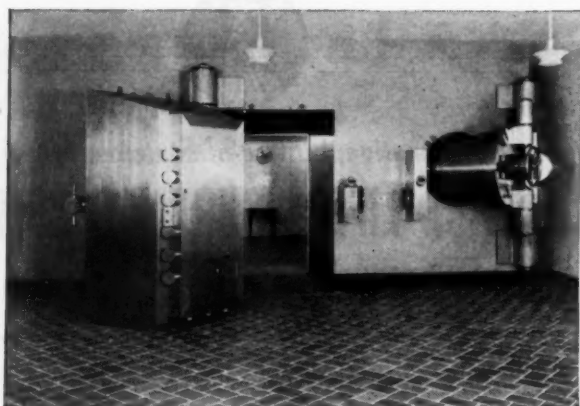
JOHN H. McNAMARA  
Founder

PAUL McNAMARA  
Vice-President

NORTH AMERICAN BUILDING, CHICAGO, ILLINOIS

## A 10-DAY OPTION

for purchasing the exclusive franchise for distributing National Underwriter  
Insurance Calendars in your city can be secured by sending 9 cents in stamps  
for a complete sample to The National Underwriter, 175 West Jackson Blvd.,  
Chicago.



## WHEN YOU SELL LIFE INSURANCE SELL SAFETY!

Times change, and men change with them. Today the demand for investments which will double in value and net ten per cent a year has given place to a demand for perfect, unqualified safety. Life Insurance meets the requirement. When you sell Life Insurance,

SELL SAFETY.

**Provident Mutual**  
Life Insurance Company of Philadelphia  
Founded 1865

## A brief summary of results in 1932—

Assets rose to \$95,505,469, an increase of \$3,685,711.

General Surplus to policyholders increased to \$5,209,332, a gain of \$451,731. In addition, a special reserve for contingencies was increased \$350,000 to \$1,000,000 and a special real estate profit reserve of \$172,935 was set aside. Combined, these funds total \$6,382,267, an increase of \$974,666, or 18% over 1931's figures.

Total Income amounted to \$23,333,545, less than 1% below the record high figures of 1931.

Payments to policyholders and beneficiaries totaled \$15,297,014, of which 75% went to living policyholders.

**THE GUARDIAN LIFE**  
ESTABLISHED 1860  
INSURANCE COMPANY of AMERICA  
50 UNION SQUARE • NEW YORK CITY

may assert her rights as a policyholder in the assets. The appellate court declares that the reinsurance "was for the benefit of policyholders and a step to protect them in the liquidation of the company."

### BUDINGER AGENCY LEADS

The Franklin Life's Chicago agency, under Manager F. J. Budinger, showed production increases in January and February over the corresponding months last year and so far in 1933 leads the country for that company.

### LIQUIDATION ACT STRENGTHENED

The Illinois supreme court has rendered a decision upholding the right of the state insurance department to employ special counsel to aid in the liquidation of insolvent insurance companies. The litigation was started by the Pioneer Fire of Chicago as a creditor of the Marquette National Fire, in liquidation, in which the Pioneer asked for the return of \$17,500 paid Attorney E. J. Hennessy, objecting to the payment of \$5,000 additional for which he had filed a bill. This strengthens the liquidation act.

### TO SEPARATE DEPARTMENTS

Chairman Fitzgerald of the Illinois house insurance committee has introduced a bill at the request of the administration creating a separate insurance department and divorcing it from the director of trade and commerce. This would create the director of insurance. The bill was prepared by Ernest Palmer, Illinois insurance superintendent. It is Bill 631 in the house. The insurance committee of the Illinois chamber of commerce first advocated the separation of the two offices and has been aggressive in promoting this movement.

### PAY FOR \$3,000,000 IN QUARTER

The Sam Lustgarten agency of the Equitable of New York in Chicago paid for \$3,000,000 in the first quarter, more than 75 percent of this business being on annuity and income forms. The agency was in fourth place country-wide in January, second in February and third for the first two months. John Morrell, associate agency manager and millionaire producer, paid for \$750,000 in January and February, leading the country for that period. Harry Steiner of the agency was second country-wide for the two months and Louis Behr was sixth, the Lustgarten agency thus for the period placing three agents among the first ten in the country. These re-

## Goes to Chicago



W. F. JENKINS

W. F. Jenkins, whose appointment was recently announced by the Home Life, New York, to succeed S. C. Woodard as general agent in Chicago, has had an outstanding record in the business since entering it in January, 1930. He is a million dollar producer, having placed over \$3,000,000 in force with the Yates Agency of the Massachusetts Mutual in Detroit in the three years. Not only did he get volume but he maintained an "app" a week record for the first 73 weeks in the business, during that time producing never less than \$30,000 per month.

sults were attained largely through placing emphasis on estate creation and conservation and on the fact that life insurance still is the best investment a man can make.

M. T. Navin, Chicago general agent of the Continental Life of St. Louis, is preparing to move from the Insurance Center building to room 726, 332 South La-Salle street.

### Bermuda Trip Projected

Instead of receiving the usual award for meritorious service, those who qualify for the Distinguished Service Club of the Scranton Life will be conducted on a convention-vacation tour to Bermuda in July, Vice-President R. Merriman announces. Qualification is \$1,500 cash premiums Jan. 1 to July 1.

## PACIFIC COAST AND MOUNTAIN

### "Solvency" Bill Is Enacted

Revolutionary Proposal Sponsored by Commissioner Cochrane Becomes a Law in Colorado

DENVER, April 20.—The "solvency" bill, sponsored by Commissioner Jackson Cochrane at every legislative session for the past ten years, last week became a law with the approval of Governor Johnson.

Under the new law a lien is placed on all the policies of a life company whenever its assets become impaired, even to the extent of being 1 cent less than the outstanding liabilities, and the lien for the difference between the assets and the liabilities becomes an asset of the company. The amount thus given up by each policyholder is said to be less than in the case of an expensive receivership.

It is the most revolutionary piece of legislation affecting insurance ever adopted in Colorado, and possibly the most startling innovation ever put in force in any state. It applies only to Colorado incorporated life companies.

"Insured insurance," is the term by

which Commissioner Cochrane designates his plan. He believes it a long step in the solution of economic problems, asserting that it "precludes the statutory insolvency of legal reserve life insurance companies by the self-absorption of deficiencies (in assets)."

### McGary with Monarch Life

Earl W. McGary has resigned as manager of the casualty department of the Metropolitan and Commercial Casualty in Los Angeles to become southern California manager of the Monarch Life, succeeding C. B. Ballard, who has been transferred to Rock Island, Ill., as manager. Mr. McGary has been with the Commercial and Metropolitan for four years and was formerly with the Ocean Accident. He was secretary of the Accident & Health Managers Club of Los Angeles last year and is now vice-president.

### Discusses Training of Agents

"Discipline in Training New and Old Agents" was the subject discussed by Alex. Dewar, agency manager Equitable Life of New York, at the luncheon-meeting of the Life Managers Club of



Los Angeles held at the L. A. Athletic Club on Monday, April 10. Mr. Dewar stated that the slogan adopted by his agency is, "The beginning of definiteness is the end of confusion," and that this principle is consistently adhered to in the education, training and constructive discipline of both new and old agents. He outlined the plans followed by his agency in some detail.

His address was followed by an open forum discussion of the life insurance moratorium in California and elsewhere.

### Colorado Suicide Bill Enacted

DENVER, April 20.—Life insurance companies doing business in Colorado will not be required to pay more double indemnity claims on deaths resulting from suicide, whether voluntary or involuntary, sane or insane, if the policy specifies against additional payments in case of suicide. This applies to all policies hereafter issued, under an act passed by the Colorado legislature and approved by the governor. The passage of the act was necessitated by the former action of Colorado courts in pronouncing suicide an "accidental" death, and thereby entitling the beneficiaries to double indemnity.

### Warning on Iowa Company

Commissioner Averill of Oregon warns people in his state against the Union Mutual Life of Des Moines, saying it is an unlicensed company. He finds that literature is being distributed at the doors of residences during the night.

### Protest "Robertson" Bill

Aroused by proposed amendments to California's life insurance laws, which would compel life companies to invest 75 percent of their reserves on California business in California securities, more than 100 life underwriters appeared before the senate insurance committee, in

addition to nearly 1,000 letters and telegrams protesting the adoption of the proposed amendments.

### Colorado Life Business Off

DENVER, April 20.—New business of the life companies suffered a severe slump in Colorado in 1932, and almost without exception their insurance in force at the close of the year was reduced. Colorado business of the leading companies is shown below:

	Business Written	Change in Ins. in Force
Aetna .....	2,606,188	—\$2,430,701
Equitable, N. Y. ...	6,426,388	—3,402,975
Kansas City Life ...	3,269,227	—2,853,014
Mutual Benefit ...	1,258,294	—479,192
Mutual Life .....	2,873,294	—646,440
N. Y. Life .....	5,846,581	—1,685,282
Northwestern Mut. ...	2,980,200	—2,458,359
Union Central .....	2,224,800	—2,572,337
Travelers .....	2,553,973	—1,961,660
Prudential .....	21,236,326	—3,616,665
Metropolitan .....	15,152,188	215,591
Mass. Mutual .....	1,604,193	—350,536
Capitol, Denver ...	5,090,012	—1,535,176
Pacific Mutual .....	935,607	—690,529
Missouri State .....	11,153,391	745,817

### Pleads Guilty to Mail Fraud

DENVER, April 20.—Ray Latson, former president of the Fidelity Mutual Benefit Association, pleaded guilty to mail fraud in federal court and was fined \$1,000. The association sold a form of life insurance in Colorado and neighboring states and failed to pay death claims, the government charged.

### Oregon Investment Law

A new law has been enacted in Oregon specifying the type of securities in which domestic companies may invest, stock of other insurance companies being prohibited.

Other measures have been passed providing that life insurance endowment annuity contracts must be submitted to the Oregon insurance commissioner for approval and life agents pay an additional fee if they write other classes of business.

## NEWS OF LIFE ASSOCIATIONS

### Promotion Conference Held

**Northwestern California Underwriters Gather at San Francisco to Launch Financial Independence Week Drive**

SAN FRANCISCO, April 20.—More than 500 life underwriters attended the annual Northern California Sales Promotion Conference, which was the curtain raiser for Financial Independence week here Monday. J. A. Sullivan, president San Francisco Life Underwriters Association, formally opened the meeting after K. L. Brackett, general agent John Hancock Mutual Life, acting as chairman, called the conference to order.

President Sullivan told the delegates that their individual strength during present conditions was many times multiplied by the remarkable record of the institution of life insurance as a whole. "The policyholder," said Mr. Sullivan, "is learning more and more of the dual purpose of modern life insurance practice—positive protection in his plans for himself and his family, as well as the financial independence of the individual in his sunset days. Owners of life insurance policies can face the future of America unafraid, being armed with the knowledge that the guarantees they had bought for themselves and their families are and will be fulfilled."

Financial independence through life insurance was discussed from the life underwriter's view point by R. B. Dodge, Bankers Life; from the insured's by George Mortenson, Oakland, from the family's viewpoint by A. R. Matt, Phoenix Mutual.

The afternoon session was devoted largely to individual selling and development plans, with the speakers discuss-

ing organization and application of work. Kellogg Van Winkle, Los Angeles manager Equitable Life of New York spoke on organization of work. R. F. Freeman gave a new slant to prospecting in his "There Are No Strangers." The psychological angle was approached by S. R. Bowman, west coast supervisor Acacia Mutual Life, in his talk "What's On Your Mind." W. B. Burruss spoke on "Face the Future Unafraid."

**Vermilion County (Danville) Ill.**—H. J. Cummings, vice-president and superintendent of agents Minnesota Mutual Life, was the principal speaker, giving a review of the bank and insurance moratorium.

**Bloomington, Ill.**—The annual meeting and sales congress of the Illinois association with the Bloomington association as host, scheduled for April 23, has been postponed to May 20. The reason given is the confusion arising over policy moratoria and difficulty of getting company officials as speakers at this time.

**Quincy, Ill.**—Sixty members and guests attended the ladies' night program. N. P. Blanchard, president Illinois association, was the principal speaker.

**Long Beach, Cal.**—Charles E. Wright, general agent Pacific Mutual Life, has been elected president.

**Oregon (Portland)**—Dr. John M. Thomas, vice-president National Life of Vermont, spoke on "Can Life Insurance Selling Be Made a Profession?" and H. H. Jackson, actuary of that company, on "The Ideal Salesman." They were introduced by W. J. Smith, Oregon general agent for the National Life.

**Los Angeles**—A resolution presented by a special committee headed by George W. Ayars, urging the reappointment of E. Forrest Mitchell as California commissioner, was unanimously adopted. A copy

## Intangibles

When choosing a profession, the customary practice is to review the possibilities of financial gain, the opportunities for personal promotion, and the stability of the occupation under consideration. These items are fixed and tangible; they can be determined with almost mathematical certitude. They are constantly before the public eye, and the average man uses them to locate himself in his life work.

But it is the intangibles—those abstract qualities perpetually hidden from the five senses—that spell peace of mind, spiritual gratification, pride of attainment. It is the ideals—the underlying principles of an institution—that bring contentment and prosperity, loyalty, and abiding trust into the heart of the member.

Some institutions have minds, some have power, some have wealth—a few have souls.

**AMERICAN CENTRAL LIFE**  
INSURANCE COMPANY  
INDIANAPOLIS, IND.



## Sell Group Insurance

**Life, Accident, Sickness, Retirement Annuities, Wholesale**

When people are trying to stretch their dollars to their utmost buying capacity, they naturally appreciate group insurance.

The sale of group insurance, especially the wholesale form for small organizations, has held up remarkably.

Agents make money selling group and at the same time locate good prospects for individual insurance.

**Connecticut General**  
Life Insurance Company  
Hartford, Conn.



### A Young Man's Company...

CENTRAL LIFE is 37 years old . . . a mutual company . . . soundly managed . . . progressive . . . offering a complete line of contracts . . . congenial home office folks. Truly a young man's company.

**CENTRAL LIFE**  
Assurance Society  
(MUTUAL)

DES MOINES IOWA

## SERVICE LIFE

### INSURANCE COMPANY

Exceedingly liberal contracts are offered to reputable and responsible agents. An unusual agency proposition is extended in districts where the company is not now represented.

For information write  
B. R. BAYS, President  
JOHN L. OESCHGER,  
Secretary-Treasurer

**Home Office: LINCOLN, NEBRASKA**

**UNUSUALLY ATTRACTIVE  
DIRECT HOME OFFICE CONTRACT  
In Unassigned Territory**

**GREAT REPUBLIC LIFE INSURANCE CO.**

T. J. McComb, President

1300 Great Republic Life Building, Los Angeles, California

of the resolution was forwarded to each of the other local associations in California, asking that it be submitted to the membership.

**Ottumwa, Ia.**—J. F. Kerfoot, general agent Yeomen Mutual Life, was elected president of the newly organized Ottumwa association. Charles Maxwell, Equitable Life of New York, is vice-president; C. S. Bartlett, Equitable Life of Iowa, second vice-president; Manley Stevens, Connecticut Mutual, secretary-treasurer; Sam Stoltz, Aetna Life, national committeeman, R. H. Martin and Henry Peterson, directors.

**Louisville**—Constructive thinking, service and character were recommended as the solution to prevailing conditions by L. O. Schriver, Peoria, Ill., vice-president of the National association. "It is significant," he declared, "that the greatest men who ever lived were men whose chief characteristic was service."

**Missouri**—The first formal meeting is being held in St. Louis, April 21. Members from Kansas City, Springfield, Jefferson City, St. Joseph, Columbia and other points in the state are expected to attend. Permanent officers probably will be elected.

**Southwest Texas (San Antonio)**—President C. C. Thompson of the National association, speaker of the day, was introduced by O. Sam Cummings, president Texas association, who called attention to the evil effects produced by agents who make statements causing the public to question the soundness of any company.

President Thompson spoke in complimentary terms of the young men who are in life insurance and stressed the thought that the older men in the field must be alert and strive to improve their methods so that they may not be laid on the shelf.

**Galveston, Tex.**—At a meeting of some 35 Galveston agents and four officials of the Houston association, the Galveston association was organized with W. M. Morgan, Union Central Life, president; Leon Blum, Pacific Mutual, vice-president; Frank Simmen, Great Southern, secretary-treasurer.

**Dallas, Tex.**—A larger percentage of earned dollar is going into life insurance today than ever before, C. C. Thompson of Seattle, president National association, told the Dallas association. He said that in 1926 out of every dollar earned 3½ cents went for life insurance in this country while in 1932, 6 cents of every dollar earned was invested in life insurance.

The Oklahoma association will be guests and provide the program at the meeting May 13. C. C. Day, Oklahoma City general agent Pacific Mutual, will be key speaker.

**Aberdeen, S. D.**—H. J. Gilbertson, district manager Equitable Life of New York, has been reelected president of the Aberdeen association for the third consecutive year. He served as president of the North Dakota Life Underwriters Association of Fargo in 1931, before going to Aberdeen.

**New Orleans**—C. C. Thompson of Seattle, president National association, asserted that the life companies have not experienced a backward trend during the recent economic stress. He said that those making a success in life insurance are those who have learned their business since 1929 and are accepting present conditions as normal. R. H. Haag, president Louisiana association, was toastmaster. Nearly 200 attended the meeting.

**Mason City, Ia.**—Ben Williams, assistant advertising manager Bankers Life of Iowa, spoke at the monthly meeting. Commissioner E. W. Clark was a guest.

**Des Moines**—A contest is being held during financial independence week to discover the holders of the oldest legal reserve life policies still in force in their original form on the lives of anyone now residing in Polk county.

**Flint, Mich.**—H. G. Gault, local attorney, spoke at the April meeting. He declared the institution of life insurance is fundamentally sound and he advised creation of a life insurance estate by every man even before the purchase of a home. The recent move to maintain stability of the companies by limiting cash payments during the present emergency was justified by the conditions,

Mr. Gault said, and undoubtedly served to preserve policyholders' rights to the fundamental protection of their coverage.

**Lansing, Mich.**—Tribute to the successful efforts of life underwriters prior to 1929 was paid by M. B. Oakes, Insurance Research & Review Service. He said the tremendous volume of life insurance placed in force in the years of prosperity saved the nation from the worst abyss of the depression.

**Burlington, Ia.**—A. W. VanHouten, Davenport, president Iowa association, spoke last week. A committee was appointed to draft a new constitution and by-laws.

**Milwaukee**—C. C. Thompson, Seattle, president National association, will speak April 27.

**Wichita, Kan.**—Dr. S. S. Huebner addressed a joint meeting with the Wichita chamber of commerce and gave a ten-minute radio talk over Station KFH Monday night. Distribution of prizes in the state-wide essay contest on "Life Insurance, the Economic Stabilizer of the Home," was a feature.

**Tulsa, Okla.**—Dr. S. S. Huebner, University of Pennsylvania, spoke at the financial independence week meeting.

**Northern New Jersey**—More than 250 attended the breakfast Monday morning to start off financial independence week. H. M. Holderness, vice-president Connecticut Mutual, and Albert E. N. Gray, assistant secretary Prudential, were the principal speakers.

**Mississippi**—Charles C. Thompson, president National association, talked to the Mississippi association at a banquet in Jackson.

**Little Rock, Ark.**—C. C. Thompson, president National association, was the principal speaker at a luncheon April 17.

### NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

### Equitable Has New Contract

#### Issues Optional Retirement Policy with Flexible Income and Settlement Provisions

The Equitable of New York has brought out an optional retirement policy at 65, the principal features of which are:

Immediate life insurance protection for family and in addition a monthly retirement annuity for the policyholder for life; or a monthly retirement annuity payable to the policyholder and his wife jointly, continuing for as long as both live, with two-thirds of the amount continuing to the survivor for life; or a fully paid up participating life policy at age 65 and a cash payment of \$2,660 per \$10,000 of insurance; or payment of full face of policy in cash to policyholder at the retirement age, 65.

If the policyholder desires to receive a guaranteed life income prior to age 65, he may apply for this privilege, giving him a somewhat smaller income than if he had waited until the regular retirement age, but guaranteed for life.

#### Gives Complete Flexibility

The special feature of the Equitable's new policy is complete flexibility, since the decision as to which form of settlement or annuity option he is to take may be deferred until the time arrives actually to put it in force.

Through regular life insurance options at age 65 and in lieu of settlement under any other option, protection for dependents may be continued thereafter without further outlay for the full face amount, and in addition the assured at age 65 may withdraw a stipulated cash payment, or if preferred the full face



will be paid the policyholder in a single cash sum at 65.

This is a participating contract prior to commencement of the annuity payments and also would share in surplus earnings, the dividends starting at the end of second year. A medical examination is required because of the life insurance element.

#### Some of the Provisions

The premium may be paid annually, semi-annually, quarterly or monthly. Waiver of premium clause to age 60 may be attached, and double indemnity may be added covering against accidental death before age 65. The premiums are quoted on the basis of \$100 annual or \$10 monthly premium, in addition to the usual basis of even thousands of insurance.

If the assured dies before attaining retirement age 65, the face amount is payable to beneficiary. If the assured should decide to retire before 65, he has the privilege on the fifth or any subsequent anniversary of the register date, provided insurance age is then between 50 and 64 years, inclusive, of applying the cash value of the policy to purchase one of the forms of annuities available to him at age 65, appropriately reduced in amount. This policy is restricted to standard male lives. Premium rates per \$10,000 and dividend scale per \$1,000 are:

Age	Prem. \$10,000	Dividends End Year				
		2	5	10	15	20
20	222.00	5.33	12.80	7.33	8.88	10.13
21	227.90	5.40	12.98	7.48	9.03	10.29
22	234.00	5.48	13.19	7.63	9.19	10.46
23	240.60	5.56	13.41	7.80	9.37	10.65
24	247.40	5.64	13.63	7.98	9.55	10.83
25	254.70	5.73	13.85	8.17	9.74	11.05
26	262.40	5.83	14.13	8.30	9.90	11.28
27	270.60	5.94	14.42	8.46	10.06	11.54
28	279.30	6.06	14.71	8.61	10.25	11.82
29	288.50	6.17	15.03	8.79	10.45	12.13
30	298.20	6.30	15.37	8.98	10.67	12.46
31	308.70	6.43	15.64	9.12	10.91	12.81
32	319.80	6.59	15.87	9.27	11.18	13.19
33	331.70	6.75	16.30	9.43	11.46	13.61
34	344.40	6.84	16.68	9.62	11.79	14.05
35	358.00	6.94	16.97	9.83	12.12	14.52
36	372.70	7.06	17.24	10.06	12.51	15.11
37	388.40	7.20	17.53	10.32	12.91	15.75
38	405.40	7.35	17.88	10.61	13.37	16.45
39	423.70	7.44	18.26	10.93	13.85	17.20
40	443.50	7.53	18.57	11.27	14.37	18.01
41	465.10	7.66	18.94	11.66	15.05	18.00
42	488.60	7.79	19.37	12.09	15.77	20.07
43	514.30	7.95	19.86	12.56	16.57	21.23
44	542.50	8.15	20.43	13.10	17.46	22.53
45	573.40	8.36	21.06	13.67	18.44	23.95
46	607.80	8.63	21.84	14.44	19.64	...
47	645.80	8.92	22.68	15.27	20.95	...
48	688.40	9.28	23.67	16.23	22.45	...
49	736.10	9.69	24.83	17.31	24.13	...
50	790.00	10.15	26.13	18.54	26.04	...
51	851.40	10.71	27.82	20.09	...	...
52	922.00	11.35	29.77	21.87	...	...
53	1,003.90	12.12	32.07	23.94	...	...
54	1,100.10	13.18	34.84	26.40	...	...
55	1,214.80	14.47	38.41	29.36	...	...
56	1,354.30	16.07	42.98	...	...	...
57	1,527.50	18.07	48.72	...	...	...
58	1,745.60	20.70	56.14	...	...	...
59	2,041.70	24.42	66.15	...	...	...
60	2,449.40	29.62	80.53	...	...	...

\*Including special 5th year dividend.

#### Little Gem Chart Corrections

**New York Life**—Page 509 of the eastern edition of the Little Gem Life Chart and 701 of the western edition should carry the interest rate of the New York Life as 4.5 percent on proceeds of policies or other funds left on deposit, with the additional note that 4.25 percent is the rate where funds are subject to withdrawal. The proper note appears at the bottom of page 235 of the eastern edition and 354 of the western edition.

**Aetna Life**—On page 10 of the Aetna Life showing in the eastern edition and page 13 of the western edition the insurance with life income is described in the heading as running for life with 10 months certain. This should be changed to 100 months certain.

#### American Central Life

The American Central of Indianapolis announces that beginning Sept. 1, its annuity rates will be increased. It also announces that it will discontinue the issuance of disability benefits providing for monthly income. The waiver of premium disability benefits will not be affected.

#### Equitable Life of New York

The Equitable Life of New York announces that guarantees under group annuity contracts have been modified and

the scale of premium rates to be included in future group annuity contracts have been increased. New commission rates for group annuities have been adopted.

## Business Revival in Week's Effort

(CONTINUED FROM PAGE 1)

sions. Tuesday there was a joint meeting of the life underwriters association and Los Angeles advertising club, and Wednesday a radio address by President R. B. Von Kleinsmid of the University of Southern California. Prof. F. S. Buchett, University of California, addressed a mass meeting.

In Philadelphia a policyholders' luncheon was held Wednesday, attended by some 1,500 people, presided over by George Thornley, vice-president N. W. Ayer Company. Dr. Georges F. Doriot, dean Harvard School of Business Administration, and G. T. Stephenson, vice-president Equitable Trust Company, Wilmington, Del., spoke.

Production results are not yet ascertainable, but early reports indicate that the special effort and publicity this week served to stimulate sales and are expected to result in production increases for several weeks and some lasting good effect.

#### Many Talks Over Radio

Albert W. Atwood, financial writer of the "Saturday Evening Post," spoke over the WJZ chain. Other speakers were Gov. Wilbur L. Cross of Connecticut, John B. Kennedy, staff writer of "Collier's," and Merle Thorpe, editor "Nation's Business."

The financial independence week movement was mentioned in a number of regular broadcasts, among these being the programs of Lowell Thomas, news caster; Dr. S. Parkes Cadman and Dr. Daniel A. Poling. Canadian hook-ups carried many of these programs throughout the Dominion.

There were innumerable meetings of service organizations addressed by three minute speakers.

## Many Executives Insisting on Cutting Off Sideshows

(CONTINUED FROM PAGE 1)

so that life companies could rediscount their paper the same as banks. This, however, would be a direct bid for federal control which many officials decry. Therefore a number of executives say that the penalty of withdrawing should be made more severe. It should not be so easy to secure loans. Life companies, they argue, should not be in the field to provide funds for speculation, roseate investments or, in fact, for any purpose that is not of a protective nature. The amassing of large funds that can easily be withdrawn places upon companies an investment strain that is too great.

#### Movement Toward Investment Policies

In recent years there has been a strong move toward so-called investment policies. These are usually short term endowments which enable the policyholder to leave his proceeds with the company and receive a guaranteed rate of interest. Many executives feel that the time has come when there should be some separation of what might be termed banking and investment policies from life insurance and natural investment features. Life insurance, they argue, should be permitted to follow its natural course. It has a definite duty to perform. It can do it without difficulty if it is not called upon to operate outside its rightful domain. The so-called banking features have presented embarrassment and difficulties to life companies.

Its return to the fundamentals naturally will require a re-education of agency forces because in the last few years they have emphasized the invest-



# PURE PROTECTION LIFE INSURANCE

## No Cash Demand Liabilities

except a small amount of advance premium payments

We are in the Life Insurance Business only—furnishing protection to our policyholders at a low net cost.

Operating in Illinois, Michigan, Indiana and Missouri.

# INTERSTATE RESERVE LIFE INSURANCE COMPANY

Mutual Legal Reserve Life Insurance  
Ten East Pearson Street :: :: CHICAGO  
Phone Superior 1714

## And Now— Monthly Premiums!

Agents, profiting by the exceptional money-making opportunities of our Golden Rule Contract, now may place Monthly Premium Policies, as well as those on the Annual, Semi-annual or Quarterly basis.

A Monthly Premium Depositing Plan is certain to be popular in times like these.

Columbus Mutual Life  
Columbus, Ohio

## Annual Statement

### ASSETS

First Mortgage Loans on Real Estate.....	\$4,474,939.65
Real Estate Including Home Office Building.....	837,340.95
Loans on Company Policies.....	1,919,581.22
Bonds—Government and Municipal.....	219,000.00
Interest Due and Accrued.....	176,522.75
Net Outstanding Premiums.....	250,200.33
Cash in Banks.....	91,952.91

Total Admitted Assets.....\$7,969,437.81

### LIABILITIES

Reserves on Policies.....	\$6,590,747.64
Reserved for Losses, No Proofs Received.....	31,991.00
Interest and Rents Paid in Advance.....	49,519.68
Reserve for Taxes, Trust Funds and Dividends.....	152,227.31
Miscellaneous Reserves.....	263,093.08
Mortality and Investment Reserves.....	181,858.60
Capital Stock.....	300,000.00
Surplus Unassigned.....	400,000.00

Total.....\$7,969,437.81

End of Year	Total Assets	Surplus to Policyholders	Insurance in Force
1907.....	\$ 29,827	\$ 16,050	\$ 1,529,645
1922.....	2,597,815	338,113	24,617,680
1932.....	8,031,417	881,859	48,722,353

**TOTAL PAID TO POLICYHOLDERS AND BENEFICIARIES TO DATE \$6,382,450.00**

**Peoples Life Insurance Co.**  
Frankfort Indiana

## Opportunity for managers in Desirable Territory

**FOR** qualified men there is a liberal and profitable manager's contract. The men chosen will work under the direct supervision and assistance of the Home Office. They will be given every possible help to insure their success with this strong 30 year old company.

This company writes all complete and modern forms of life insurance at a low net cost. Policies include participating, non-participating, disability and double indemnity.

If you are interested in a manager's contract that offers a real opportunity write

S. M. Cross, President  
Columbia Life Insurance Co.  
Cincinnati, Ohio

ment side of insurance, its solidity and its impregnability. They have pointed out the immense advantage in having the loan and surrender privilege, of storing up funds that could be gotten at any time and have overlooked the basic principles underlying life insurance. Life insurance is intended to meet social demands of a high order. It was never intended to invade the banking field as it has. Term and low priced insurance policies have their uses but they are not permanent. The people demand with their insurance some investment and that is regarded as perfectly proper. It is just as essential to have protection during life as at death. The people, however, should be enlightened as to the use of life insurance funds. This can be done by the great army of intelligent and energetic agents.

## Weekly Reports Are to Be Asked

(CONTINUED FROM PAGE 1)

this state to respond to such requests for information about their financial affairs as the commissioner may require.

He is sending a copy of his letter to the commissioners of other states suggesting that they seek from their own companies similar information. The Kansas commissioner announced that he plans to issue the same order generally under the emergency legislation so that he can demand the same reports from companies doing business in Kansas as is required of local companies, if that seems desirable.

Special forms are being provided for these reports showing detailed information as to income from all sources, salaries, dividends, payments on policies, death benefits, disability claims, endowments, annuities and also dividends to stockholders, which are prohibited under the moratorium order. From this information the commissioner will be able to keep close tab upon the progress companies are making in reducing salaries and expenses and how close each is adhering to the modified orders under the moratorium.

Mr. Hobbs, in sending out his latest moratorium order, which follows the Chicago resolution, warned the companies against permitting or encouraging agents to tell the public that restrictions are being imposed by the state against the will of the companies.

### Will Penalize Agents

Agents that make any untrue statements or unwarranted inferences as to the moratorium order will, together with their company, be called for a hearing before the commissioner, he said. If it is found that untrue statements or unwarranted inferences were made, their licenses in Kansas will be revoked or suspended.

Mr. Hobbs said that agents should not endeavor to cast reflection upon any company or give the impression that the restrictions arose from a question of the solvency of any group of companies. The orders were issued to protect all companies and thereby safeguard the investments of all policyholders, he said.

Commissioner Herdman of Nebraska has promulgated amendments to the life insurance rules and regulations in that state to bring them into conformity with the model suggested by the National Convention of Insurance Commissioners.

### Mississippi's Attitude

Commissioner Riley of Mississippi is not in sympathy with the moratorium on policy loans and cash surrender values. He expresses the belief that neither the legislature nor commissioner has the legal right to abridge a contract.

Mr. Riley states he is powerless to compel companies domiciled in other states to pay loans and surrender values in Mississippi. His office is taxed with correspondence from Mississippians who

do not understand recent legislation and rulings. The appropriation for the maintenance of the department made by the 1932 legislature was so small he cannot employ additional help and the office has been embarrassed by not having sufficient money for postage.

Two companies may find themselves embarrassed by carelessly worded letters. A Missouri company and a West Virginia company declined to grant cash surrender values on the ground that it was contrary to law. Their letters fell into the hands of an attorney who is threatening to prosecute on the ground that the United States mails were used for purposes of fraud.

### St. Louis Companies

The principal life companies with home offices in St. Louis are complying with the uniform restriction on policy loans and cash surrenders recommended by the commissioners at Chicago. While the Missouri assembly has not enacted any moratorium legislation the Missouri companies operating elsewhere are covered by regulations in other states.

Commissioner Clark of Iowa has issued regulations in conformity with the Chicago resolutions, but he continues the 30-day extra grace period.

Commissioner McClain of Indiana has sent this additional paragraph bearing on the moratorium: "Where, however, the average amount of insurance per policy, other than industrial and group, issued by the companies is less than \$1,000, the maximum amount of loan granted for any purpose shall not exceed 20 percent of the loan or cash value of the policy and in no case exceed \$100." This action is independent of other states.

Commissioner Brown of Massachusetts has issued new rules in conformity with the resolutions adopted by the commissioners in Chicago.

His rulings are somewhat broader than the Chicago type, resembling the Connecticut model more closely.

The Ohio department has promulgated rules identical to those recommended by the National Convention of Insurance Commissioners.

Commissioner Brown of Minnesota follows the Chicago resolutions in his latest regulations.

### Unrestricted States

Realization is beginning to dawn on the business that many of those states, which have not enacted emergency life insurance legislation or issued emergency regulations, are the states which have very few home companies. At the meeting of the insurance commissioners in Chicago, R. L. Daniel, commissioner of Texas, hinted at this situation by saying that in some states insurance companies have no money to lend and nobody to lend it to.

Probably in many of these unrestricted states, there would be much political opposition to any effort to impose restrictions. The public in many of those states probably could not be expected to comprehend why their states should enact legislation to prevent them from withdrawing equities from foreign companies. Most of the states that do not have restrictions are not populous and as a practical matter, most companies are perfectly willing to pay what is demanded of them from those states.

In Montana previous rulings have been rescinded and superseded by rulings identical with the Chicago model.

In Vermont former rulings are superseded by new regulations identical with the Chicago resolution, but also providing for loans above \$100 for food, educational and agricultural purposes, continuance of payrolls, and prevention of penalties on commitments prior to March 10. An extra 30-day grace period is allowed.

In Maryland new rulings are identical with the Chicago model with the added stipulation that the company shall, at the direction of the policyholder, keep his cash surrender value for him until



the ban has been lifted, and not apply it to paid-up or extended insurance.

The Michigan house defeated by a vote of 42 to 47 the Orr-Karwick bill to give dictatorial power to the insurance commissioner, who has already issued emergency orders under authority of a joint legislative resolution, which has been regarded as a substitute for the Orr-Karwick bill, already passed by the senate.

The bill was attacked in the house by Representative Jarvis on the ground that emergency legislation was being carried too far and that the loan value of a life policy is in many cases the last available source of cash for many families.

## Moratorium Most Feared by Agents

(CONTINUED FROM PAGE 3)

Many individuals agreed that the restrictions were entirely proper and wise. A number of cases are cited in which the policyholder or prospect declared he considered life insurance much safer and sounder because of the restrictions.

Juvenile policies are being sold on a large scale. Agents have found the approach through the children a profitable one under present conditions. Parents have been susceptible to the argument that children should be started on a thrift plan. Educational policies on the parent also have been going well.

Liberalization of state decrees regarding new premiums has served to stimulate the sale of single premium forms and the discounting of annual premiums many years in future.

### Large Profit on Policy

One company which sells a two-year endowment had a policyholder for \$50,000 on this form who started two years ago. A check for the sum recently was sent the agency. The man left it in the agency for ten days while he considered. He stated that it was the finest investment he ever made. He figured his profit 20 percent a year. He paid the premium in, comparatively, an inflation dollar and received the return in dollars of much greater purchasing power.

## Stress Soundness of Life Policies

(CONTINUED FROM PAGE 3)

tism of investment. The first of these is the foundation stone of life insurance, the one great feature which sets it apart from all other financial institutions. The 65,000,000 persons in this country who own approximately \$103,000,000,000 of life insurance form a vast reservoir which no man or group of men could build, a financial, social and moral power beyond measuring.

### Two Salient Characteristics

The reasonable yet moderate return of 3 or 3½ percent obligated by the life insurance contract, and conservatism of life company investments, two closely related factors, together explain why life insurance has met and will continue to meet its high purpose.

The policyholder has safety in high degree, since he in effect owns an equity in a great spread of investments. A well managed life company is under no necessity to sell in adverse markets. Its investments are held to maturity. Temporary fluctuations in market values have relatively little bearing. Then, too, there is the further safety mark in mortality savings, in careful medical selection.

Mr. Talbot stressed that this financial independence which the life insurance policyholder enjoys dates from the day he pays his first premium, for with the one payment the thing he hopes for will be done. This is the chief achievement

of life insurance, the objective which no other institution can reach.

But as further premiums are paid the investment grows, becoming more and more a rock of security. In time the investment completes itself and the financial independence which the owner bought matures at a time in life when, Mr. Talbot said, men have a just right to claim the reward of honest work.

## Governors Pay High Tribute to Work of Life Insurance

(CONTINUED FROM PAGE 3)

and during the past eighteen years have tried to do something to impress on the nation—insofar as my word was of avail—the important part insurance plays in the life of the people of this country."

### Governor Cross of Connecticut

Governor W. L. Cross of Connecticut gave this expression: "I have always been a firm believer in life insurance. The record made by our American companies, particularly during the recent months of stress and strain, has been a magnificent tribute to the soundness of these institutions. It is my conviction that life insurance not only inculcates habits of thrift and providence among considerable groups of our people, but provides help and support for literally thousands when the bread-winner has been taken. I believe it cannot be questioned that government itself has a deep concern in the development of life insurance, for it must be clear that many who now enjoy its protection might otherwise add to the burdens of already over-burdened communities."

## Decision in Illinois Life Case Is Anticipated Soon

(CONTINUED FROM PAGE 2)

be reserved for coming to a decision, but this probably will be only a few days.

As usual in such cases, many of the objections were technical. There was no effort on the part of the Kemper interests to meet all objections in the rewritten contract. Those which appeared to be soundest were incorporated. As yet the tentative contract is in a state of flux so it is considered useless to attempt to present a brief of it until its provisions are settled. Although there still are possibilities of many legal complications delaying decision indefinitely. Judge Wilkerson appears disposed to ignore the purely technical objections and hasten the end as speedily as possible, while assuring that the rights of all interested parties will be protected. There was this week a general feeling that the Mutual Protection Life would get the Illinois Life business within a few days.

### Sullivan Makes Objections

Two principal objections were made in a brief by Attorney Stansbury, read and commented on by J. P. Sullivan.

This brief and one filed by Attorney Friedman pointed out there is no provision for eventual mutualization as offered in the original proposal, and the latter brief points out the new contract says nothing about the right of policyholders to elect one-half the directors of the new company from their number. Another objection was that under the first proposal the intention was to set up \$1,250,000 additional money with the thought it would be needed to pay death claims immediately and would restore confidence, yet the new contract permits four months from date of signing of contract before death claims would be paid. It is charged there will be little need for use of the new money in view of this provision.

J. G. Sharp of Woodward, Fondiller & Ryan, consulting actuaries, New York, was examined as an expert and said the new contract showed definite indication that substantial and even more than reasonable profit from the money invested might be made by the

## THE FORMULA OF SUCCESS

**L**IFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

THE MUTUAL LIFE OF NEW YORK, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

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Of the great number of life insurance companies organized between 1905 and 1908, only four passed the 100 million mark in 20 years. Mutual Trust was one of them. The 175 million dollar mark was passed in our 26th year.

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mean what you have  
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is today a positive  
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## Success

depends very largely  
upon you having  
something unusual.

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are in a position to  
provide exactly what  
you need.

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may want to ask about  
our set up.

More new business should  
be coming from parts of  
Iowa, Illinois, Ohio and  
Pennsylvania.

That signifies the need of  
more representation.

### BANKERS LIFE INSURANCE COMPANY of NEBRASKA

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new company. A provision permitting the new company to modify reinsurance treaties without restriction is one on which considerable profit might be made.

Attorney H. W. Price, representing a group of 30 former Illinois Life agents, who he said have renewal commissions of \$128,000 a year tied up, stressed that the agents' interests are nearly as important as those of policyholders. He argued that only the assets pertaining to the business reinsured should be turned over to the new company.

At this point Receiver Davis said the attitude is not to keep the assets for the benefit of policyholders agreeing to reinsurance at the disadvantage of those not assenting and other claimants. Attorney Price said the contract does not properly safeguard policyholders' rights in this respect. He asked an additional provision that any claimants have access to the records for a year, as he said the records will become property of the new company and might conceivably otherwise be withheld from claimants.

Another point that should be covered specifically, he said, arises from the fact that with few exceptions the agents are indebted to the Illinois Life for advances and loans, but that the company owes the agents a substantial net balance. The contract should provide that there be no assignment of notes or advance agreements permitted until the agents can present their case in court. Mr. Price said otherwise it would be possible for the new company to take over as the first assets some of these advance agreements and notes and collect on them at law. He held such indebtedness should be considered as a setoff against the amount due the agents. The court indicated that agents' interests would be protected in that and other respects.

#### Other Objections Filed

Other objections were filed by J. W. Milne, attorney for the policyholders' reorganization committee representing some 1,700 policyholders. This committee had proposed a reinsurance plan which was among several rejected. Delay of five weeks in drafting a contract was charged. Many objections are identical with those in other briefs. The provision for rewriting of the business is criticised. A liquidating agent and continuation of the receivership until Dec. 31, 1947, are challenged as unnecessary. It is charged the contract is unfair to policyholders in many respects.

J. W. Stevens, former chairman of the board of the Illinois Life who suffered a stroke recently just before he was to go on trial under indictment for embezzlement, larceny and conspiracy in connection with the failure, has recovered sufficiently to appear in court, and the date May 8 has been set. At that time there will be a hearing on motion to quash the indictments against J. W. Stevens and his son E. J., former vice-president.

#### Want Publicity Clause Repealed

Insurance men are interested in the effort of Senator Robinson of Arkansas to secure a repeal of the publicity clause in the Reconstruction Finance Corporation act, such a bill having been introduced last week. He declares that the publicity provision has not accomplished anything wholesome and he finds there is a general demand for modification.

## Two Receiver Suits Filed Against Cosmopolitan Life

(CONTINUED FROM PAGE 2)

ation of said securities the premiums on this policy will be paid annually, as they fall due, by the Cosmopolitan Life. Policy No. 11,004 had a similar provision regarding bonds of Loew's State Theatre, Cleveland, 6 percent, 1938, for \$2,000.

Kleinman alleges that the addition of this matter in the applications constitutes forgery. He alleges that the total bonds were not worth more than \$1,000 and were selling on the open market for less than the \$1,864 paid by himself. He declares the entire transaction tainted with fraud.

The bill states that the complainant believes that these bonds are shown on the books as worth \$10,000. It alleges that as of Dec. 31, 1931, the statement of the company showed assets of \$450,863, but that mortgage loans carried at \$99,300 were worth not more than \$35,000; that mortgage bonds carried at \$64,366 were worth not more than \$15,000; and that an item "Due from other companies," of \$222,654 had no value.

It alleges the practice of acquiring securities as described for the purpose of financial statements and alleges a fraudulent device and scheme to cheat persons who become policyholders.

The complaint alleges that President E. H. Burke, Secretary J. M. Surdam and General Agent B. W. Singer profited by diverting to themselves money payable to the company but actually used by them to purchase mortgage bonds at low prices, in payment of premiums on the policies sold by them. He alleges they sold paid-up policies for small sums, pocketing the difference over the cost of the bonds, and representing to reinsuring companies that the policies were paid up by securities.

All these allegations are denied by the defendant company and the officers named.

The policies involved were level premium endowments, the \$8,000 policy being for 20 years and the \$2,000 for 15 years. The annual premium on the first was \$358 and on the second \$119.86.

In January the Kleinman application for a receiver was taken under advisement by the superior court.

The attorney-general's office states that an effort will be made to have the Kleinman suit dismissed and the action concentrated in the state's suit.

The Cosmopolitan was started in 1925. In 1931 it reinsured the Sheridan Life of Evanston, Ill. Edward H. Burke is president. He was formerly president of the Public Life, which went into the hands of a receiver in 1927. He was also former president of the Niagara Life of Buffalo and was formerly a district agent in Chicago for the Mutual Life of New York. Mrs. J. M. Surdam is secretary and treasurer and active in the company.

As of Dec. 31, 1931, the Cosmopolitan Life reported assets \$415,863, reserve \$47,472, capital \$100,000 and net surplus \$207,179. The insurance in force at that time amounted to \$6,597,111, of which \$6,593,361 was term. In 1931, income was \$222,125 and disbursements \$64,586, of which only \$8,674 was for death claims, matured endowments and annuities.

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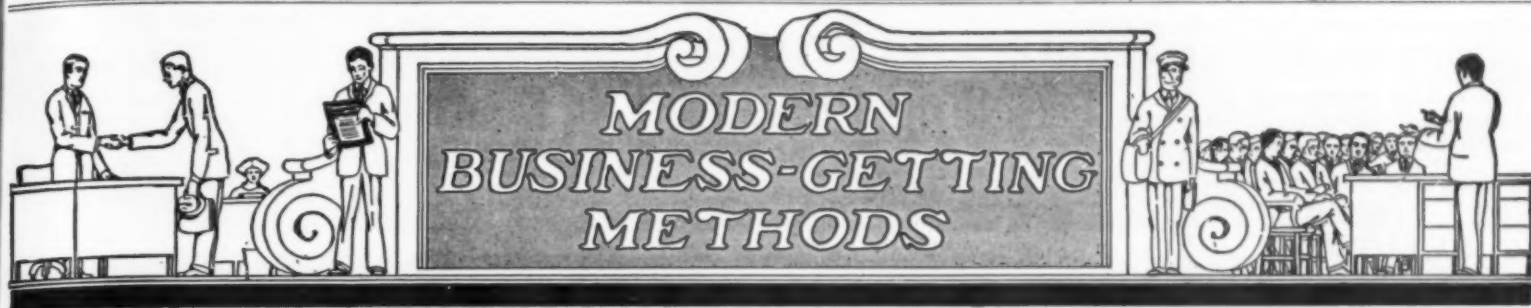
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## Brief Arguments and Methods for Present Situation Given

Faith in the country and life insurance, and planned, energetic solicitation was the theme struck in a great breakfast meeting of Chicago life agents Monday, the opening day of Financial Independence Week, attended by 1,157 persons. It was sponsored by the Chicago Association of Life Underwriters and was in the nature of a two-hour sales congress with three minute talks by leading Chicago agents and managers on practical and inspirational subjects having to do with selling under present conditions.

Upon adjournment most of the agents hurried out to start intensive drives of one week initiated by most of the offices to take full advantage of the sales stimulation resulting from the national publicity effort.

It was believed that the many radio talks on life insurance, newspaper articles and elaborate arrangements planned by the National Association of Life Underwriters and carried out by local associations, including posters, stickers and short talks at various public gatherings, would result in considerable business increase for the week, an effect that probably would carry over for some time.

### President Hastie Sounds Keynote of Faith

President J. R. Hastie of the association struck the keynote of faith. He said life insurance has met the demand of a \$6,000,000 daily cash distribution without hesitation throughout the depression. Harry Anderson, vice-president and sales manager of the Rockwood Company, speaking on "Keeping Faith in Life Insurance," pointed out that only 75 percent of federal reserve banks and 50 percent of state banks are functioning nearly two months after the bank moratorium was lifted.

On the other hand, he finds only 15 percent of the disbursements normally made by life companies are not absolutely free. Approximately 80 percent of the cash distribution of normal times is being made on death claims, annuity payments and other policy provisions.

Of the remaining 20 percent, the companies still are paying a part on small policy loans. In fact, with the partial lifting of restrictions some loans of several thousand dollars are going through in emergency.

Mr. Anderson therefore finds life insurance in much better condition than the banks. He believes these facts adequately answer the two questions uppermost in the public mind regarding life insurance, the policy moratorium and companies' financial condition.

### Takes Up Mortgage And Railroad Bond Question

In regards to companies' investments he said some items are criticized, notably mortgage loans and railroad bonds. However, he finds the life companies investing in such securities are following two universal laws of nature, those of food and shelter, rather than taking an artificial course. He believes investments generally in businesses catering to these two human wants always will be sound. In regard to foreclosures, the public has nothing to worry about as far as life company financial condition is concerned, he said.

H. T. Wright, associate manager Berls agency, Equitable of New York in Chicago, said agents should not exaggerate the effect of the moratorium nor underestimate it. It is only a temporary condition, gradually being lifted. He said Financial Independence Week and succeeding weeks could be well spent by agents in aggressively telling the public where the life business is going and assuring people that the life companies are ready and willing to serve their policyholders and are and will continue to be the strongest financial institutions in the world. The lifting of the moratorium on new business and new premiums is a highly important liberalization, he stated.

Fear of the business, of the public and of the life policies they are presenting, in the opinion of I. B. Jacobs, educational director Spaulding agency, Mutual of New York, is the chief hurdle life agents have to take before they can get

ahead. Elimination of this fear is the first stepping stone to success now as always, he said.

"Many agents are not 100 percent," Mr. Jacobs stated. "They don't thoroughly believe in life insurance. They sell it as a means of livelihood, but many of them hold mental reservations. The business warrants the agent attending to it in a thoroughgoing way. If he is not disposed to do so, he had better get out, for he is not fitted for life insurance selling if he is unwilling to spend the time necessary to become a thorough life insurance man."

"We must have confidence in the business, in the plan we present, in ourselves. The public when they have confidence in us are willing to leave to us the arrangement of their financial affairs. When we show fear and lack of confidence, that state of mind is transmitted to the people we are canvassing."

A. J. Johannsen, supervisor Northwestern Mutual in Chicago, explained the plan he was using for the week. He selected 100 of his best policyholders, friends and business acquaintances. He decided that Financial Independence Week was a time to devote to highly personalized selling, and temporarily abandoned all cold canvass. He made use of direct mail, sending a pamphlet. His plan was to restate the points made in the pamphlet, relating to depressed life values, meeting obligations to heirs, thrift and investments, and life insurance as the master key to all these problems.

The last talk was by Captain John Gorby of the speaking staff of the Century of Progress exposition, who stated there was great hope in this country in the constructive policies of President Roosevelt, in whose messages and actions, he said, he had never detected a single negative note. He said the United States is a dynamic and not a static nation. We are moving ahead. The world's fair at Chicago he considers the most positively encouraging movement in the world today.

If there are still any policyholders and prospects who object to even the slight limitations on their policy values which must be maintained for a time by the commissioners, a strong argument to meet this objection is advanced by a Chicago general agent. He makes the point that life insurance is based on a formula containing three factors. One

### Bank Moratorium Is No Obstacle to Agent Singer

L. G. ("Harry") Singer, Travelers agent in Milwaukee, in March wrote 46 applications for \$250,750 total, premiums being \$8,317, average policy \$5,451 and average premium \$181. His first year commissions in the month totaled \$3,249.

It is estimated his total earned income as a result of the month's effort, including nine personal accident applications, eight fire policies and four casualty contracts, figuring first year commissions and renewals over a five year period, amounts to \$7,518.

He continued his record in April, producing in the first week seven life applications for \$29,000 and two accident applications. Twenty-five of his applications in March had binding checks attached; 18 were on women. He closed 23 of them on the argument of age change.

is the mortality table; second, compound interest, and third, known maturity dates of obligations. He says if one takes out of this fund any one of the three factors, the whole thing will fall down. It is a three-legged stool.

During the panic people wanted to remove the interest element, which would completely have destroyed the life insurance institution, he believes. If the life companies had been forced to keep themselves 100 percent liquid, this would have meant all cash and no interest earnings. Even a lesser percentage of liquidity, which would have reduced the yield on assets to the guaranteed 3 or 3½ percent, would have done away with policy dividends, surplus interest and other factors which people have come to identify practically as guaranties in the life contract.

If the yield had been further reduced by a greater percentage of liquidity, so that the guaranteed interest rate could not be realized, then he said there is no question but the life insurance institution would have fallen down. Few people realize the important part played by compound interest in the life insurance calculations, but they readily see the point when it is explained.

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Of course issued in larger amounts

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in addition to face of policy  
in event death before age 60

FULL FACE THEREAFTER  
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Original cost, age thirty, \$21.40  
per \$1,000 to age 59; \$17.19  
per \$1,000 thereafter

Write for Sample and Particulars

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FRANK M. PETERS, President  
Cincinnati, Ohio

**CLAY W. HAMLIN**  
"DEFINITIZER" SYSTEM

Manual for the manager on Mr. Hamlin's  
complete time control plans and 3 copies of  
the "Definitizer" for \$1.00.

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## Pointers on Prospecting and Selling Presented at Seattle

The joint Seattle sales congress sponsored by the Seattle Life Underwriters Association and the Seattle Life Managers' Association brought out a number of real selling points with the theme: "Better living and accomplishment in the life insurance profession."

W. I. Miller of the Northern Life in his "Getting Back to Fundamentals," urged his hearers to staunchly face the facts as they exist today and go out and really market life insurance, and plan the future in the light of present conditions.

**Need for Money Is  
Usually Most Important**

"Sell and service life insurance. Outline the fact that you have money for future delivery to somebody at some time when the need is greatest, and which can be paid on the installment plan. These facts must be driven home with considerable force for today many of the younger generation are thinking more of the stray foam on the vest than they are of the little grey home in the west."

"Stress savings for investment and protection," continued Mr. Miller. "All forms of policies are protection. Find out the prospect's needs, the most important of which, is usually need for money. Today more than ever before, the willingness to work is fundamental,

not once in a while but intensively every minute of every day. Here is a short 15-word formula on selling: Study the business; see plenty of eligible prospects and ask them to buy of you now."

Prospecting, declared A. B. Gorrill of the Travelers, is the key to the life business. "The successful prospector of today will necessarily do more thinking of and about those he should see and less talking to those he should not see." Mr. Gorrill stressed the standard canvass approach, but the salesman should be able to make a quick switch should the occasion demand it.

Clyde Rose, Prudential, outlined the cardinal points in the approach. "More 'You's' and less 'I's,'" admonished Mr. Rose, "will do much in making a satisfactory approach which will later bring the sale and satisfaction of both yourself and the prospect. Ask this same prospect if he is enjoying the possession of the insurance he already has, and if it isn't a greater gratification to him than anything else he owns, or in other words it is probable that the prospect may have something mighty interesting to say, and just allow him to do the bulk of the selling."

A sales demonstration was enacted by Mrs. I. B. Odell, Bankers Life, and Irving D. Smith, Seattle general agent Fidelity Mutual Life, entitled, "The Minimum Family Income."

"Gearing Yourself to the Times," was stressed by T. H. Groves, Portland, Ore., agency manager Equitable Life of New York. "In order to gear ourselves to the times it is essential that we develop the best possible personality that will reflect our own individuality and not ape anyone else. We should be so well sold on our job that we should at all times give it 100 percent energy and devotion. Time is the insurance man's most valuable asset and capital. Have a definite objective, or goal, definite and systematic plans for reaching this goal, broken down into monthly, weekly and daily plans, centering around the most effective use of our most valuable capital, time."

**Urges Writing of Standard  
Contracts—Most Satisfactory**

"Write standard contracts that will protect dependents and provide a guarantee for the policyholder during his life. Standard forms pay agents more commissions, and he knows that he has done a better and more constructive job."

"In prospecting select the income producing group with which you can most effectively and intelligently work, and capitalize on such contacts. Again, gear

### Wanted Assistant Manager

A well established Chicago branch of a middle western company desires the services of a man to organize and build a new unit. This man must have a proven production record and contacts that will assist him materially in the development of his unit. There are no expenses involved. To such a man we will give a liberal over-riding and a substantial bonus. Write us a letter stating all the facts about yourself. Address X-36, The National Underwriter.

yourself to the times in delivering the contract by putting yourself in the prospect's insurance picture through effective and intelligent selling and advice, then stay there by displaying genuine and sincere desire to continue to be of service in the future."

At the luncheon John W. Troy, new governor of Alaska, spoke and opportune anecdotes were presented by George Finnegan.

J. E. Fowler, general agent Mutual Life, New York, Aberdeen, Wash., and H. T. Eckstrom of the same company put on a sales demonstration "A Barrel of Money," using charts to stress their timely points.

"Life Insurance Meets the Test" was discussed by C. C. Colt, trustee Oregon Mutual Life, in which he gave an exhaustive history of life insurance accomplishments.

"Mary Barton's Mistake," a one-act playlet, was produced by the women's division of the Seattle Life Underwriters Association.

W. C. Robinson, Provident Mutual Life, and Talmadge Elwell, A. J. Quigley, Connecticut Mutual, and James Boyd gave interesting reasons of why insurance representatives should become Chartered Life Underwriters.

W. B. Burruss spoke on "Shakespeare, the Salesman."

### Yeomen School Held

DES MOINES, April 20.—Field representatives of the Yeomen Mutual Life from Texas, Montana, Ohio and North Dakota are meeting here this week for the second of a series of schools of instruction being conducted by the company this month.

Special stress is being placed on conservation work and business development. Similar meetings are being planned for representatives from all of the 20 states in which the company operates.

"People are beginning to realize the importance of maintaining their life insurance program and of making up for any lapses which may have occurred during the last several years," President A. H. Hoffman stated at the opening session. "We feel that it is just as important that the members of our organization be fully equipped to handle conservation problems as to write new business."

### Columbus Mutual Michigan Rally

LANSING, MICH., April 20.—The essential safety of life insurance despite depression conditions was emphasized by Forrest Braden, assistant to the president of the Columbus Mutual Life, in an address before 115 agents attending the annual meeting of the Michigan agency force.

Carl Mitcheltree, secretary and actuary, analyzed the depression's effect on the companies and pointed out the adequate safeguards provided to care for just such a situation as that now confronted. He also explained moratorium regulations as liberalized by uniform action of the commissioners' convention.

### Dern San Antonio Speaker

The San Antonio (Tex.) Managers Club at its April meeting had as its speaker A. L. Dern, vice-president Lincoln National Life, on the "Moratorium Situation."

## Today Prepares Tomorrow's Triumph or Despair

THE investments that a man makes today are the measure of his material comfort in years to come.

... It is said that most men die too soon or live too long for any other form of investment than life insurance. . . . Let life underwriters show America's citizens how they may be sure of Financial Independence, and Face the Future Unafraid!

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**"A Good Company To Represent  
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